

CONFIDENTIAL

18 January 1956

Memorandum for: The Director

Subject: Executive Pay Bill

1. You will recall that the House passed an executive pay bill (H. R. 7619) during the last session. It fixed the basic compensation of the DCI at \$22,000, in the same category with the Secretaries of the Army, Navy and Air Force and the Director of the Federal Bureau of Investigation. The compensation of the DDCI was fixed at \$20,000, along with the Deputy Under Secretaries of State, the Under Secretaries of the Services and the Deputy Directors of a number of other agencies. In this bill, the compensation of the Assistant Secretaries of the Executive Departments was fixed at \$19,000, or one slot below the DDCI. The House bill also provided for a range of salaries at the GS-17 level up to a maximum of \$14,835, which is \$215 above the present maximum for that grade. The compensation for GS-18 was raised from \$14,800 to \$16,000.

2. A bill was introduced in the Senate (S. 2628). It was reported out, however, at the end of the last session, and a vote was blocked by Senator Morse and others on the ground that no hearings had been held. The Senate bill fixed the compensation of the DCI at \$22,000, along with the Secretaries of the Army, Navy and Air Force, the Director of the Federal Bureau of Investigation and the Administrator of Veterans Affairs. The compensation of the DDCI was fixed at \$20,000, along with several other positions, including the Assistant Secretaries of the Executive Departments. The pay range for GS-17 was the same as the range in the House bill, going up to a maximum of \$14,835. GS-18, however, was raised from \$14,800 to a range of \$16,000 to \$17,500.

3. In the opening days of the current session, Senator Johnston of South Carolina, Chairman of the Senate Committee on Post Office and Civil Service, indicated on the Floor that the Senate bill would be rereferred to his Committee and that hearings would be held in the near future. We have no official word as to when hearings will be held, but it is reported that they may start as early as the first of February. Administration witnesses will undoubtedly be called, and I suppose that Philip Young will be the principal witness.

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4. On December 3 the Director sent a letter to Mr. Young outlining his views as to the proper place of this Agency in executive pay legislation. In that letter, the Director, without commenting on the amounts of compensation for himself or the Deputy Director, stressed the necessity of having these positions established at the appropriate level within the Executive Branch. He indicated that it would seem appropriate that the Director be bracketed with the Deputy Secretary of Defense, the Under Secretary of State and the senior Administrative Assistants to the President, and that the position of the Deputy Director should be equated to that of the Deputy Under Secretaries of State and the Under Secretaries of the Military Departments, as proposed in the House version, rather than at the level of Assistant Secretaries of the Executive Departments. It was pointed out that one of the principle reasons for establishing the position of the Deputy Director at this level was to permit the operating Deputies to deal as equals with the Assistant Secretaries of other departments. An identical letter was sent to the Director of the Bureau of the Budget.

5. On December 9 Mr. Young answered the Director's letter, paraphrasing the views expressed in that letter and indicating that he appreciated receiving it and that he would give the ranking equations consideration "at every stage" in the preparations for dealing with this matter. On December 15 the Director received a letter from Roger Jones of the Bureau of the Budget, indicating that all matters pertaining to the executive pay bill are to be handled by Mr. Young in his capacity as the President's Adviser on Personnel Management.

6. Since the receipt of these letters, we have tried to find out from Mr. Young's staff just what the Administration plans were with respect to the executive pay bill. I regret to say that we have not received any definitive word. I have the impression, however, that the Administration is not going to suggest any realignment of positions in the bill which would give a higher rank to any official in cases where the House and Senate bills were similar. If this is true, the DCI will remain in the group immediately below the Deputy Secretary of Defense and the Under Secretary of State. I have no definitive word on where Mr. Young stands on the position of the DDCI, but the Administration appears to favor the Senate version of the bill as a whole, and the Senate version is least satisfactory as far as the position of the DDCI is concerned. At this point, the plan appears to be to play matters

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somewhat by ear. There are a lot of political angles to this bill, and it is very possible that further changes may be suggested within the Congress.

7. In view of the imminence of hearings on this bill, and the non-committal nature of Mr. Young's letter to you, it is recommended that you call Mr. Young and ask if any progress has been made on firming up an Administration position on this bill. It would do no harm to re-emphasize to him the importance which you attach to the position of the DDCI, which would be unsatisfactory to this Agency if the Senate language is adopted. It is not recommended that members of Congress be contacted directly, at least until the Administration position is clear.

(Signed) Norman S. Paul

Norman S. Paul
Legislative Counsel

CONCUR:

(Signed) Lyman Kirkpatrick
Inspector General

Date

Concur

Initialed (CPC)

DDCI

27 Jan. 56

IG: NSP/blc

Orig. & 1 - Add ✓

2 - Signer

The recommendations in paragraph 7
are approved (disapproved).

9 Feb 56
Date

Director of Central Intelligence 25X1

84TH CONGRESS 2d Session	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 2935
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FEDERAL EXECUTIVE PAY, CIVIL SERVICE
RETIREMENT, AND OTHER MATTERS

JULY 26, 1956.—Ordered to be printed

Mr. MURRAY of Tennessee, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H. R. 7619]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—BASIC COMPENSATION FOR HEADS OF EXECUTIVE DEPARTMENTS AND OTHER FEDERAL OFFICIALS

SEC. 101. This title may be cited as "Federal Executive Pay Act of 1956".

SEC. 102. The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$25,000.

- (1) Secretary of State.
- (2) Secretary of the Treasury.
- (3) Secretary of Defense.
- (4) Attorney General.
- (5) Postmaster General.
- (6) Secretary of the Interior.
- (7) Secretary of Agriculture.
- (8) Secretary of Commerce.
- (9) Secretary of Labor.

(10) *Secretary of Health, Education, and Welfare.*

SEC. 103. (a) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$22,500.*

- (1) *Director of the Bureau of the Budget.*
- (2) *Comptroller General of the United States.*
- (3) *Director, Office of Defense Mobilization.*
- (4) *Under Secretary of State.*
- (5) *Deputy Secretary of Defense.*

(b) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$22,000.*

- (1) *Secretary of the Army.*
- (2) *Secretary of the Navy.*
- (3) *Secretary of the Air Force.*

SEC. 104. (a) *The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$21,000.*

- (1) *Commissioner of Internal Revenue.*
- (2) *Director of Central Intelligence.*
- (3) *Director of the Federal Bureau of Investigation.*
- (4) *Administrator of the Federal Civil Defense Administration.*
- (b) *Notwithstanding the provisions of subsection (a), the annual rate of basic compensation of the Director of the Federal Bureau of Investigation shall be \$22,000 so long as such office is held by the present incumbent.*

- (5) *Administrator of General Services.*
- (6) *Administrator of the Housing and Home Finance Agency.*
- (7) *Administrator of Veterans' Affairs.*
- (8) *Director of the International Cooperation Administration.*
- (9) *Director of the United States Information Agency.*
- (10) *Governor of the Farm Credit Administration.*
- (11) *President of the Export-Import Bank of Washington.*
- (12) *Under Secretary of the Treasury.*
- (13) *Under Secretary of the Treasury for Monetary Affairs.*
- (14) *Deputy Postmaster General.*
- (15) *Under Secretary of the Interior.*
- (16) *Under Secretary of Agriculture.*
- (17) *Under Secretary of Commerce.*
- (18) *Under Secretary of Commerce for Transportation.*
- (19) *Under Secretary of Labor.*
- (20) *Under Secretary of Health, Education, and Welfare.*

SEC. 105. *The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$20,500.*

- (1) *Chairman, Civil Aeronautics Board.*
- (2) *Chairman of the United States Civil Service Commission.*
- (3) *Chairman of the Council of Economic Advisers.*
- (4) *Chairman, Federal Communications Commission.*
- (5) *Chairman, Board of Directors, Federal Deposit Insurance Corporation.*
- (6) *Chairman of the Federal Maritime Board.*
- (7) *Chairman, Federal Power Commission.*
- (8) *Chairman, Board of Governors of the Federal Reserve System.*
- (9) *Chairman, Federal Trade Commission.*
- (10) *Chairman, Foreign Claims Settlement Commission of the United States.*
- (11) *Chairman of the Federal Home Loan Bank Board.*

- (12) *Chairman, Interstate Commerce Commission.*
 - (13) *Chairman, National Labor Relations Board.*
 - (14) *Chairman, National Mediation Board.*
 - (15) *Chairman, Railroad Retirement Board.*
 - (16) *Chairman of the Renegotiation Board.*
 - (17) *Chairman, Securities and Exchange Commission.*
 - (18) *Chairman, Subversive Activities Control Board.*
 - (19) *Chairman, Board of Directors of the Tennessee Valley Authority.*
 - (20) *Chairman, United States Tariff Commission.*
 - (21) *Comptroller of the Currency.*
 - (22) *Assistant Comptroller General of the United States.*
 - (23) *Deputy Administrator of the Federal Civil Defense Administration.*
 - (24) *Deputy Administrator of Veterans' Affairs.*
 - (25) *Deputy Director of the Bureau of the Budget.*
 - (26) *Deputy Director of Central Intelligence.*
 - (27) *Deputy Director of the Office of Defense Mobilization.*
 - (28) *Deputy Director of the United States Information Agency.*
 - (29) *Deputy Under Secretary of the Department of State (3).*
 - (30) *Director of the Federal Mediation and Conciliation Service.*
 - (31) *First Vice President of the Export-Import Bank of Washington.*
- SEC. 106. (a) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$20,000.*
- (1) *Administrator, Bureau of Security and Consular Affairs, Department of State.*
 - (2) *Administrator of Civil Aeronautics.*
 - (3) *Administrator, Commodity Stabilization Service.*
 - (4) *Administrator of the Rural Electrification Administration.*
 - (5) *Administrator of the Small Business Administration.*
 - (6) *Administrator of the Saint Lawrence Seaway Development Corporation.*
 - (7) *Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor.*
 - (8) *Archivist of the United States.*
 - (9) *Assistant Directors of the Bureau of the Budget (2).*
 - (10) *Assistant Postmasters General (5).*
 - (11) *Assistant Secretaries of Agriculture (3).*
 - (12) *Assistant Secretaries of Commerce (3).*
 - (13) *Assistant Secretaries of Defense (9).*
 - (14) *Assistant Secretaries of Health, Education, and Welfare (2).*
 - (15) *Assistant Secretaries of the Interior (3).*
 - (16) *Assistant Secretaries of Labor (3).*
 - (17) *Assistant Secretaries of State (10).*
 - (18) *Assistant Secretaries of the Treasury (3).*
 - (19) *Assistant Secretaries of the Air Force (4).*
 - (20) *Assistant Secretaries of the Army (4).*
 - (21) *Assistant Secretaries of the Navy (4).*
 - (22) *Associate Director of the Federal Bureau of Investigation.*
 - (23) *Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.*
 - (24) *Commissioner, Community Facilities, Housing and Home Finance Agency.*
 - (25) *Commissioner, Federal Housing Administration.*
 - (26) *Commissioner, Public Housing Administration.*

- (27) *Commissioner, Urban Renewal Administration.*
(28) *Counselor of the Department of State.*
(29) *Deputy Administrator of the Housing and Home Finance Agency.*
(30) *Deputy Administrator of General Services.*
(31) *Director of the Administrative Office of the United States Courts.*
(32) *Director of the Bureau of Prisons.*
(33) *Director of the National Advisory Committee for Aeronautics.*
(34) *Director of the National Science Foundation.*
(35) *Director of Selective Service.*
(36) *Fiscal Assistant Secretary of the Treasury.*
(37) *General Counsel of the National Labor Relations Board.*
(38) *Librarian of Congress.*
(39) *President of the Federal National Mortgage Association.*
(40) *Public Printer.*
(41) *Special Assistant to the Secretary (Health and Medical Affairs), Department of Health, Education, and Welfare.*
(42) *Under Secretary of the Army.*
(43) *Under Secretary of the Navy.*
(44) *Under Secretary of the Air Force.*
(45) *Members of boards and commissions (excluding chairmen):*
Civil Aeronautics Board (4).
United States Civil Service Commission (2).
Council of Economic Advisers (2).
Board of Directors of the Export-Import Bank of Washington (3).
Federal Communications Commission (6).
Federal Deposit Insurance Corporation (1).
Board of Governors of the Federal Reserve System (6).
Federal Maritime Board (2).
Foreign Claims Settlement Commission of the United States (2).
Federal Power Commission (4).
Federal Trade Commission (4).
Federal Home Loan Bank Board (2).
Interstate Commerce Commission (10).
National Labor Relations Board (4).
National Mediation Board (2).
Railroad Retirement Board (2).
Renegotiation Board (4).
Securities and Exchange Commission (4).
Subversive Activities Control Board (4).
Board of Directors of the Tennessee Valley Authority (2).
United States Tariff Commission (5).
(b) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$19,000.*
(1) *Architect of the Capitol.*
(2) *Assistant to the Director of the Federal Bureau of Investigation.*
(3) *Commissioner of the United States Court of Claims (12).*
(4) *Governor of Alaska.*
(5) *Governor of the Canal Zone.*
(6) *Governor of Guam.*
(7) *Governor of Hawaii.*
(8) *Governor of the Virgin Islands.*
(9) *Legal adviser, solicitor, or general counsel of an executive or military department (excluding the Department of Justice).*
(c) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$18,000 per annum.*

(1) Commissioner of the Indian Claims Commission (3).

SEC. 107. (a) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$17,500.

(1) Administrator, Agricultural Research Service, Department of Agriculture.

(2) Administrator, Bonneville Power Administration.

(3) Administrator, Farmers' Home Administration.

(4) Administrator, Soil Conservation Service, Department of Agriculture.

(5) Assistant Architect of the Capitol.

(6) Assistant Director of the Administrative Office of the United States Courts.

(7) Associate Director of the Federal Mediation and Conciliation Service.

(8) Chief Assistant Librarian of Congress.

(9) Chief Forester of the Forest Service, Department of Agriculture.

(10) Chief of Staff of the Joint Committee on Internal Revenue Taxation.

(11) Commissioner of Customs.

(12) Commissioner, Federal Supply Service, General Services Administration.

(13) Commissioner of Immigration and Naturalization.

(14) Commissioner of Narcotics.

(15) Commissioner, Public Buildings Service.

(16) Commissioner of Public Roads.

(17) Commissioner of Reclamation.

(18) Commissioner of Social Security.

(19) Deputy Administrator of the Saint Lawrence Seaway Development Corporation.

(20) Deputy Commissioner, Internal Revenue Service.

(21) Deputy Public Printer.

(22) Manager, Federal Crop Insurance Corporation, Department of Agriculture.

(b) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$17,000 per annum.

(1) Deputy Administrator, Small Business Administration (3).

(2) Treasurer of the United States.

SEC. 108. Except as otherwise specifically provided in this title, the chairman or other head of each independent board or commission in the executive branch shall receive, during the period of his service as chairman or other head of such board or commission, annual basic compensation at a rate which is \$500 more than the annual rate of basic compensation prescribed by this title for the other members of such board or commission.

SEC. 109. Section 105 of title 3 of the United States Code is amended to read as follows:

"§ 105. Compensation of secretaries and executive, administrative, and staff assistants to President.

"The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of eight other secretaries or other immediate staff assistants in the White House Office, as follows: Two at rates not exceeding \$22,500 per annum, three at rates not exceeding \$21,000 per annum, seven at rates not exceeding \$20,000 per annum, and three at rates not exceeding \$17,500 per annum."

SEC. 110. (a) The Surgeon General of the Public Health Service shall receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$20,000 per annum in addition to such allowances.

(b) The Deputy Surgeon General of the Public Health Service shall receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$19,000 per annum in addition to such allowances.

(c) The Director, National Institutes of Health, the Chief, Bureau of Medical Services, and the Chief, Bureau of State Services, of the Public Health Service, shall each receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$17,500 per annum in addition to such allowances.

SEC. 111. The annual compensation for each of the offices established by section 1 (d) of Reorganization Plan Numbered 7 of 1953, effective August 1, 1953 (67 Stat. 639) shall be established by the Secretary of State at a rate not more than \$19,000.

SEC. 112. Section 2 of Public Law 565, Seventy-ninth Congress, approved July 30, 1946 (60 Stat. 712), is amended by striking out "\$12,000" and inserting in lieu thereof "\$15,000".

SEC. 113. Section 527 (b) of the Mutual Security Act of 1954, approved August 26, 1954 (Public Law 665, Eighty-third Congress (68 Stat. 832)) is amended by striking out "\$15,000 per annum" and inserting in lieu thereof "\$19,000 per annum".

SEC. 114. (a) The compensation schedule for the General Schedule contained in section 603 (b) of the Classification Act of 1949, as amended, is amended by striking out:

"GS-17-----	13,975	14,190	14,405	14,620
GS-18-----	14,800"			

and inserting in lieu thereof:

"GS-17-----	13,975	14,190	14,405	14,620	14,835
GS-18-----	16,000"				

(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a scheduled rate of grade 17 or 18 of the General Schedule, he shall receive a rate of basic compensation at the corresponding scheduled rate in effect on and after such date;

(2) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 17 of the General Schedule and is receiving basic compensation at a rate between two scheduled rates of such grade, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date;

(3) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 17 of the General Schedule and is receiving basic compensation at a rate which is in excess of the maximum scheduled rate of his grade as provided in this section, he shall continue to receive such higher rate of basic compensation until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant, the rate of basic com-

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pensation of any subsequent appointee thereto shall be fixed in accordance with such Act, as amended.

SEC. 115. The Postal Field Service Schedule in section 301 (a) of the Act of June 10, 1955 (Public Law 68, 84th Congress), is amended by striking out:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

and inserting in lieu thereof:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200		
20-----	16,000".						

SEC. 116. Section 3 of the Act of January 3, 1946, as amended (38 U. S. C. 15b), is hereby amended as follows:

(a) The last sentence of section 3 (b) is amended to read: "During the period of his service as such, the Chief Medical Director shall be paid a salary of \$17,800 a year."

(b) The last sentence of section 3 (c) is amended to read: "During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of \$16,800 a year."

(c) That portion of section 3 (d) which precedes the proviso is amended to read: "Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of \$15,800."

SEC. 117. (a) The first section of the Act approved August 1, 1947 (61 Stat. 715; Public Law 313, Eightieth Congress), as amended, relating to salary limitations on research and development positions requiring the services of specially qualified scientific or professional personnel in certain departments and agencies, is amended by striking out "\$10,000" and "\$15,000" and inserting in lieu thereof "\$12,500" and "\$19,000", respectively.

(b) Section 208 (g) of the Public Health Service Act, as amended (42 U. S. C. 210 (g)), relating to salary limitations on research and development positions requiring the services of specially qualified scientific or professional personnel in the Public Health Service is amended by striking out "\$10,000" and "\$20,000" and inserting in lieu thereof "\$12,500" and "\$19,000", respectively.

SEC. 118. The salary amendments contained in section 116 shall not affect the authority of the Civil Service Commission or the procedure for fixing the pay of individual officers or employees under the statutes therein amended; except that the existing rate of basic compensation of any officer or employee to whom such section applies which is less than a rate of \$12,500 per annum shall be increased to such rate on the effective date of this title.

SEC. 119. Section 12 of the Act of May 29, 1884, as amended (21 U. S. C. 113a), relating to salary limitation on technical experts or scientists for research and study of foot-and-mouth disease and other animal diseases, is hereby amended by striking out "\$15,000" and inserting in lieu thereof "\$19,000".

SEC. 120. This title shall take effect at the beginning of the first pay period commencing after June 30, 1956.

TITLE II—PROVISIONS RELATING TO ORGANIZATION OF CIVIL SERVICE COMMISSION

SEC. 201. (a) The first section of the Act entitled "An Act to regulate and improve the civil service of the United States", approved January 16, 1883, as amended (5 U. S. C., sec. 632), is amended by inserting immediately after the first paragraph thereof a paragraph as follows:

"The term of office of each such Commissioner shall be six years, except that (1) the terms of office of the Commissioners holding office on the effective date of this paragraph (including the term of office of an individual appointed to fill any vacancy in the Commission existing on such effective date) shall expire, as designated by the President, one at the end of two years, one at the end of four years, and one at the end of six years, after such effective date; (2) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term of his predecessor shall be appointed for the remainder of such term; and (3) upon the expiration of his term of office a Commissioner may continue to serve until his successor is appointed and has qualified."

(b) Such first section of such Act of January 16, 1883, is further amended by adding at the end thereof the following paragraph:

"In addition to designating a Chairman of the Commission from time to time, pursuant to section 1 of Reorganization Plan Numbered 5 of 1949, the President shall from time to time designate one of the Commissioners, as Vice Chairman of the Commission. During the absence or disability of the Commissioner designated as Chairman, or in the event of a vacancy in the office of such Commissioner, the Commissioner designated as Vice Chairman shall perform those functions of the Chairman which were transferred to the Chairman by the provisions of section 2 (a) (2) to 2 (a) (6), inclusive, of such Reorganization Plan. During the absence or disability of both the Commissioner designated as Chairman and the Commissioner designated as Vice Chairman, or in the event of vacancies in the offices of both such Commissioners, the remaining Commissioner shall perform such functions. During the absence or disability of all three Commissioners, or in the event of vacancies in the offices of all three Commissioners, the Executive Director shall perform such functions; but the Executive Director shall at no time sit as a member or acting member of the Commission."

SEC. 202. (a) This section and section 201 (b) shall take effect on the date of enactment of this Act.

(b) Section 201 (a) shall take effect on March 1, 1957.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. (a) The President shall hereafter appoint, by and with the advice and consent of the Senate, a General Counsel of the Post Office Department, a General Counsel of the Department of Agriculture, and a General Counsel of the Department of Health, Education, and Welfare.

(b) The existing office of Solicitor of the Post Office Department and the existing offices of General Counsel of the Department of Agriculture and the Department of Health, Education, and Welfare shall be abolished effective upon the appointment and qualification of the General Counsels of such respective departments provided for by subsection (a) or April 1, 1957, whichever is earlier.

SEC. 302. The positions of three Deputy Administrators of the Agricultural Research Service, Department of Agriculture, shall be in grade

GS-18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505 (b) of such Act.

TITLE IV—CIVIL SERVICE RETIREMENT

SEC. 401. *The Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:*

“DEFINITIONS

“SECTION 1. *Wherever used in this Act—*

“(a) *The term ‘employee’ shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this Act applies.*

“(b) *The term ‘Member’ shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a Member to whom this Act applies.*

“(c) *The term ‘congressional employee’ means an employee of the Senate or House of Representatives or of a committee of either House, an employee of a joint committee of the two Houses, an elected officer of the Senate or House of Representatives who is not a Member of either House, the Legislative Counsel of the Senate and the Legislative Counsel of the House of Representatives and the employees in their respective offices, an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, a member of the Capitol Police force, an employee of the Vice President if such employee’s compensation is disbursed by the Secretary of the Senate, and an employee of a Member if such employee’s compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.*

“(d) *The term ‘basic salary’ shall not include bonuses, allowances, overtime pay, military pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation: Provided, That for employees paid on a fee basis, the maximum amount of basic salary which may be used shall be \$10,000 per annum. For a Member, the term ‘basic salary’ shall include, from April 1, 1954, to February 28, 1955, the amount received as expense allowance under section 601 (b) of the Legislative Reorganization Act of 1946, as amended, and such amount from January 3, 1953, to March 31, 1954, provided deposit is made therefor as provided in section 4.*

“(e) *The term ‘average salary’ shall mean the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, or at a Member’s option over all periods of Member service subsequent to the date of enactment of the Legislative Reorganization Act of 1946 used in the computation of an annuity under this Act, a Member’s or an employee’s rates of basic salary in effect during such period, with each rate weighted by the time it was in effect.*

“(f) *The term ‘fund’ shall mean the civil service retirement and disability fund created by the Act of May 22, 1920.*

“(g) *the terms ‘disabled’ and ‘disability’ shall mean totally disabled for useful and efficient service in the grade or class of position last occu-*

plied by the employee or Member by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part within the five years next prior to becoming so disabled.

"(h) The term 'widow', for purposes of section 10, shall mean the surviving wife of an employee or Member who was married to such individual for at least two years immediately preceding his death or is the mother of issue by such marriage.

"(i) The term 'widower', for purposes of section 10, shall mean the surviving husband of an employee or Member who was married to such employee or Member for at least two years immediately preceding her death or is the father of issue by such marriage. The term 'dependent widower', for purposes of section 10, shall mean a 'widower' who is incapable of self-support by reason of mental or physical disability, and who received more than one-half his support from such employee or Member.

"(j) The term 'child', for purposes of section 10, shall mean an unmarried child, including (1) an adopted child, and (2) a stepchild or recognized natural child who received more than one-half his support from and lived with the Member or employee in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support.

"(k) the term 'Government' shall mean the executive, judicial, and legislative branches of the United States Government, including Government-owned or controlled corporations and Gallaudet College, and the municipal government of the District of Columbia.

"(l) The term 'lump-sum credit' shall mean the unrefunded amount consisting of (1) the retirement deductions made from the basic salary of an employee or Member, (2) any sums deposited by an employee or Member covering prior service, and (3) interest on such deductions and deposits at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually to December 31, 1956 or, in the case of an employee separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service or a Member separated before he has completed five years of Member service, to the date of the separation or transfer. The lump-sum credit shall not include interest if the service covered thereby aggregates one year or less, nor shall it include interest for the fractional part of a month in the total service.

"(m) The term 'Commission' shall mean the United States Civil Service Commission.

"(n) The term 'annuitant' shall mean any former employee or Member who, on the basis of his service, has met all requirements of the Act for title to annuity and has filed claim therefor.

"(o) The term 'survivor' shall mean a person who is entitled to annuity under this Act based on the service of a deceased employee or Member or of a deceased annuitant.

"(p) The term 'survivor annuitant' shall mean a survivor who has filed claim for annuity.

"(q) The term 'service' shall mean employment which is creditable under section 3.

"(r) The term 'military service' shall mean honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States, but shall not include service in the National Guard except when ordered to active duty in the service of the United States.

"(s) The term 'Member service' shall mean service as a Member and shall include the period from the date of the beginning of the term for which the Member is elected or appointed to the date on which he takes office as a Member.

" COVERAGE

"SEC. 2. (a) This Act shall apply to each employee and Member, except as hereinafter provided.

"(b) This Act shall not apply to the President, to any judge of the United States as defined under section 451 of title 28 of the United States Code, or to any employee of the Government subject to another retirement system for Government employees.

"(c) This Act shall not apply to any Member or to any congressional employee until he gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

"(d) This Act shall not apply to any temporary congressional employee unless such employee is appointed at an annual rate of salary and gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

"(e) The Commission may exclude from the operation of this Act any employee or group of employees in the executive branch of the United States Government, or of the District of Columbia government upon recommendation by its Commissioners, whose tenure of office or employment is temporary or intermittent.

"(f) This Act shall not apply to any temporary employee of the Administrative Office of the United States Courts, of the courts specified in section 610 of title 28 of the United States Code, or to construction employees or any other temporary, part-time, or intermittent employees of the Tennessee Valley Authority; and the Architect of the Capitol and the Librarian of Congress are authorized to exclude from the operation of this Act any employees under the office of the Architect of the Capitol and the Library of Congress, respectively, whose tenure of employment is temporary or of uncertain duration.

"(g) Notwithstanding any other provision of law or any Executive order, this Act shall apply to each United States Commissioner whose total compensation for services rendered as United States Commissioner is not less than \$3,000 in each of the last three consecutive calendar years (1) ending prior to the effective date of the Civil Service Retirement Act Amendments of 1956 or (2) ending prior to the first day of any calendar year which begins after such effective date. For the purposes of this Act, the employment and compensation of each such United States Commissioner coming within the purview of this Act pursuant to this subsection shall be held and considered to be on a daily basis when actually employed; but nothing in this Act shall affect, otherwise than for the purposes of this Act, the basis, under applicable law other than this Act, on which such United States Commissioner is employed or on which his compensation is determined and paid.

" CREDITABLE SERVICE

"SEC. 3. (a) An employee's service for the purposes of this Act including service as a substitute in the postal service shall be credited from the date of original employment to the date of the separation upon which title to annuity is based in the civilian service of the Government. Credit shall similarly be allowed for service in the Pan American Sani-

itary Bureau. No credit shall be allowed for any period of separation from the service in excess of three calendar days.

"(b) An employee or Member shall be allowed credit for periods of military service prior to the date of the separation upon which title to annuity is based; however, if an employee or Member is awarded retired pay on account of military service, his military service shall not be included, unless such retired pay is awarded on account of a service-connected disability (1) incurred in combat with an enemy of the United States or (2) caused by an instrumentality of war and incurred in line of duty during an enlistment or employment as provided in Veterans Regulation Numbered 1 (a), part I, paragraph I, or is awarded under title III of Public Law 810, Eightieth Congress, except that for purposes of section 9 (c) (1), a Member (A) shall be allowed credit only for periods of military service not exceeding five years, plus any military service performed by the Member upon leaving his office, for the purpose of performing such service, during any war or national emergency proclaimed by the President or declared by the Congress and prior to his final separation from service as Member and (B) may not receive credit for military service for which credit is allowed for the purposes of retired pay under any other provision of law. Nothing in this Act shall affect the right of an employee or a Member to retired pay, pension, or compensation in addition to the annuity herein provided.

"(c) Credit shall be allowed for leaves of absence granted an employee while performing military service or while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended. Except for a substitute in the postal service, there shall be excluded from credit so much of any other leaves of absence without pay as may exceed six months in the aggregate in any calendar year.

"(d) An employee who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service shall not be considered, for the purposes of this Act, as separated from his civilian position by reason of such military service, unless he shall apply for and receive a lump-sum benefit under this Act: Provided, That such employee shall not be considered as retaining his civilian position beyond December 31, 1956, or the expiration of five years of such military service, whichever is later.

"(e) The total service of an employee or Member shall be the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

"(f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

"(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation.

"(h) An employee who (1) has at least five years' Member service and (2) has served as a Member at any time after August 2, 1946, shall not be allowed credit for any service which is used in the computation of an annuity under section 9 (c).

"(i) In the case of each United States Commissioner who comes within the purview of this Act pursuant to section 2 (g) of this Act, service rendered prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956 as United States Commissioner shall be credited for the purposes of this Act on the basis of one three-hundred-and-thirteenth of a year for each day on which such United States Commissioner renders service in such capacity and which is not credited for the purposes of this Act for service performed by him in any capacity other than United States Commissioner. Such credit shall not be granted for service rendered as United States Commissioner for more than three hundred and thirteen days in any one year.

"(j) Notwithstanding any other provision of this section, any military service (other than military service covered by military leave with pay from a civilian position) performed by an individual after December 1956 shall be excluded in determining the aggregate period of service upon which an annuity payable under this Act to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled), at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act based on such individual's wages and self-employment income. If in the case of the individual or widow such military service is not excluded under the preceding sentence, but upon attaining retirement age (as defined in section 216 (a) of the Social Security Act) he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits

"DEDUCTIONS AND DEPOSITS

"SEC. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act Amendments of 1956 there shall be deducted and withheld from each employee's basic salary an amount equal to 6½ per centum of such basic salary and from each Member's basic salary an amount equal to 7½ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund. There shall also be so credited all deposits made by employees or Members under this section. Amounts contributed under

this subsection from appropriations of the Post Office Department shall not be considered as costs of providing postal service for the purpose of establishing postal rates.

"(b) Each employee or Member shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

"(c) Each employee or Member credited with civilian service after July 31, 1920, for which, for any reason whatsoever, no retirement deductions or deposits have been made, may deposit with interest an amount equal to the following percentages of his basic salary received for such service:

	Percentage of basic salary	Service period
Employee-----	2½-----	August 1, 1920, to June 30, 1926
	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to June 30, 1948
	6-----	July 1, 1948, to October 31, 1956
	6½-----	After October 31, 1956
	7½-----	
Member for Member service--	2½-----	August 1, 1920, to June 30, 1926
	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to August 1, 1946
	6-----	August 2, 1946, to October 31, 1956
	7½-----	After October 31, 1956

"(d) Each employee or Member who has received a refund of retirement deductions under this or any other retirement system established for employees of the Government covering service for which he may be allowed credit under this Act may deposit the amount received, with interest. No credit shall be allowed for the service covered by the refund until the deposit is made.

"(e) Interest under subsection (c) or (d) shall be computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. The interest shall be computed at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually. Such deposit may be made in one or more installments.

"(f) Under such regulations as may be prescribed by the Commission, amounts deducted under subsection (a) and deposited under subsections (c) and (d) shall be entered on individual retirement records.

"(g) No deposit shall be required for any service prior to August 1, 1920, for periods of military service or for any service for the Panama Railroad Company prior to January 1, 1924.

"MANDATORY SEPARATION

"SEC. 5. (a) Except as hereinafter provided, an employee who shall have attained the age of seventy years and completed fifteen years of service shall be automatically separated from the service. Such separation shall be effective on the last day of the month in which such employee attains the age of seventy years or completes fifteen years of service if then beyond such age, and all salary shall cease from that day.

"(b) Each employing office shall notify each employee under its direction of the date of such separation from the service at least sixty days in

advance thereof: Provided, That subsection (a) shall not take effect without the consent of the employee until sixty days after he has been so notified.

"(c) The President may, by Executive order, exempt from automatic separation under this section any employee when, in his judgment, the public interest so requires.

"(d) The automatic separation provisions of this section shall not apply to any person named in any Act of Congress providing for the continuance of such person in the service, to any Member, to any congressional employee, to the Architect of the Capitol or any employee under the office of the Architect of the Capitol, or to any employee in the judicial branch who has been appointed to hold office for a definite term of years.

"(e) In the case of an employee of The Alaska Railroad, Territory of Alaska, or an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Company or the Canal Zone Government, the provisions of this section shall apply upon his attaining the age of sixty-two years and completing fifteen years of service on the Isthmus of Panama or in the Territory of Alaska.

"IMMEDIATE RETIREMENT"

"SEC. 6. (a) Any employee who attains the age of sixty years and completes thirty years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

"(b) Any employee who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9.

"(c) Any employee the duties of whose position are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, including any employee engaged in such activity who has been transferred to a supervisory or administrative position, who attains the age of fifty years and completes twenty years of service in the performance of such duties, may, if the head of his department or agency recommends his retirement and the Commission approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9. The head of the department or agency and the Commission shall give full consideration to the degree of hazard to which such employee is subjected in the performance of his duties, rather than the general duties of the class of the position held by such employee. The word 'detention', as used in this subsection, shall be construed to include the duties of—

"(1) all employees of the Bureau of Prisons and Federal Prison Industries, Incorporated,

"(2) all employees of the Public Health Service assigned to the field service of the Bureau of Prisons or to the field service of Federal Prison Industries, Incorporated,

"(3) all civilian employees employed in the field services at Army or Navy disciplinary barracks or at confinement and rehabilitation facilities operated by any of the United States armed services, and

"(4) all employees of the Department of Corrections of the District of Columbia, its industries and utilities, whose duties in connection with persons in detention suspected or convicted of offenses against the criminal laws of the United States or of the District of Columbia or offenses against the punitive articles of the Uni-

form Code of Military Justice require frequent (as determined by the appropriate administrative authority with the concurrence of the Commission) direct contact with such persons in the detention, direction, supervision, inspection, training, employment, care, transportation, or rehabilitation of such persons.

"(d) Any employee who completes twenty-five years of service or who attains the age of fifty years and completes twenty years of service shall upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.

"(e) Any employee who attains the age of sixty-two years and completes five years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

"(f) Any Member who attains the age of sixty-two years and completes five years of Member service, or who attains the age of sixty years and completes ten years of Member service, shall, upon separation from the service, be paid an annuity computed as provided in section 9. Any Member who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9. Any Member who completes twenty-five years of service, or who attains the age of fifty years and completes twenty years of service, shall, upon separation from the service (other than separation by resignation or expulsion), be paid a reduced annuity computed as provided in section 9. No Member or survivor of a Member shall be entitled to receive an annuity under this Act unless there shall have been deducted or deposited the amounts specified in section 4 with respect to his last five years of Member service.

"DISABILITY RETIREMENT

"SEC. 7. (a) Any employee who completes five years of civilian service and who is found by the Commission to have become disabled shall, upon his own application or upon application by his department or agency, be retired on an annuity computed as provided in section 9. Any Member who completes five years of Member service and who is found by the Commission to have become disabled shall, upon his own application, be retired on an annuity computed as provided in section 9.

"(b) No claim shall be allowed under this section unless the application is filed with the Commission prior to separation of the employee or Member from the service or within one year thereafter. This time limitation may be waived by the Commission for an individual who at the date of separation from service or within one year thereafter is mentally incompetent, if the application is filed with the Commission within one year from the date of restoration of such individual to competency or the appointment of a fiduciary, whichever is the earlier.

"(c) Each annuitant retired under this section or under section 6 of the Act of May 29, 1930, as amended, unless his disability is permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Commission. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"(d) If such annuitant, before reaching age sixty, recovers from his disability or is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease (1) upon reemployment by the Government, (2) one year from the date of the medical examination showing such recovery or (3) one year from the date of determination that he is so restored, whichever is earliest. Earning capacity shall be deemed restored if in each of two succeeding calendar years the income of the annuitant from wages or self-employment or both shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

"(e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position included in the provisions of this Act, he shall be considered, except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act.

"(f) No person shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision in such Act of September 7, 1916, as amended, shall deny to any person an annuity accruing to such person under this Act on account of service rendered by him, or deny any concurrent benefit to such person under such Act of September 7, 1916, as amended, on account of the death of any other person.

"(g) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Department of Labor, shall be refunded to the Department of Labor, to be covered into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Department the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Department of Labor shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

"DEFERRED RETIREMENT

"SEC. 8. (a) Any employee who is separated from the service or transferred to a position not within the purview of this Act after completing

five years of civilian service may be paid an annuity beginning at the age of sixty-two years computed as provided in section 9.

"(b) Any Member who on or after January 1, 1956, has been or is separated from the service as a Member after completing five years of Member service may hereafter be paid an annuity beginning at the age of sixty-two years, computed as provided in section 9. Any Member who is separated from the service after completing ten or more years of Member service may be paid an annuity beginning at the age of sixty years, computed as provided in section 9.

"COMPUTATION OF ANNUITY

"SEC. 9. (a) Except as otherwise provided in this section, the annuity of an employee retiring under this Act shall be (1) the larger of (A) 1½ per centum of the average salary multiplied by so much of the total service as does not exceed five years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as does not exceed five years, plus (2) the larger of (A) 1½ per centum of the average salary multiplied by so much of the total service as exceeds five years but does not exceed ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds five years but does not exceed ten years, plus (3) the larger of (A) 2 per centum of the average salary multiplied by so much of the total service as exceeds ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary: Provided further, That the annuity of an employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor.

"(b) The annuity of a congressional employee retiring under this Act shall, if he so elects at the time his annuity commences, be (1) 2½ per centum of the average salary multiplied by his military service and service as a congressional employee, not exceeding a total of fifteen years, plus (2) 1½ per centum of the average salary multiplied by so much of the remainder of his total service as does not exceed five years, plus (3) 1½ per centum of the average salary multiplied by so much of the remainder of his total service as exceeds five years but does not exceed ten years, plus (4) 2 per centum of the average salary multiplied by so much of the remainder of his total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary. This subsection shall not apply unless the congressional employee (1) has had at least five years' service as a congressional employee, (2) has had deductions withheld from his salary or made deposit covering his last five years of civilian service, and (3) has served as a congressional employee during the last eleven months of his civilian service: Provided further, That the annuity of a congressional employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his service as a congressional employee by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

"(c) The annuity of a Member retiring under this Act shall be an amount equal to—

"(1) $2\frac{1}{2}$ per centum of the average salary multiplied by the total of his Member and creditable military service;

"(2) $2\frac{1}{2}$ per centum of the average salary multiplied by his total years of service, not exceeding fifteen, performed as a congressional employee prior to his separation from service as a Member, other than any such service which he may elect to exclude;

"(3) $1\frac{1}{2}$ per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as does not exceed five years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude;

"(4) $1\frac{1}{4}$ per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as exceeds five years but does not exceed ten years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude; and

"(5) 2 per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as exceeds ten years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude.

In no case shall an annuity computed under this subsection exceed 80 per centum of the basic salary that he is receiving at the time of such separation from the service, and in no case shall the annuity of a Member retiring under section 7 be less than (A) 40 per centum of the average salary or (B) the sum obtained under this subsection after increasing his Member service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

"(d) The annuity as hereinbefore provided, for an employee retiring under section 6 (b) or 6 (d) or a Member retiring under the first or second sentence of section 6 (f), shall be reduced by one-twelfth of 1 per centum for each full month not in excess of sixty, and one-sixth of 1 per centum for each full month in excess of sixty, such employee or member is under the age of sixty years at date of separation.

"(e) The annuity of an employee retiring under section 6 (c) shall be 2 per centum of the average salary multiplied by the total service: Provided, That the annuity shall not exceed 80 per centum of the average salary.

"(f) The annuity as hereinbefore provided shall be reduced by 10 per centum of any deposit described in section 4 (c) remaining unpaid, unless the employee or Member shall elect to eliminate the service involved for purposes of annuity computation.

"(g) Any employee or Member retiring under section 6, 7, or 8 may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing his wife or husband to receive an annuity after the retired individual's death computed as provided in section 10 (a) (1). The annuity of the employee or Member making such election, excluding any increase because of retirement under section 7, shall be reduced by $2\frac{1}{2}$ per centum of so much of the portion thereof designated under section 10 (a) (1) as does not exceed \$2,400 and by 10 per centum of so much of the portion so designated as exceeds \$2,400.

"(h) Any unmarried employee or Member retiring under section 6 or 8, and found by the Commission to be in good health, may at the time of

retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest in the employee or Member to receive an annuity after the retired individual's death. The annuity payable to the employee or Member making such election shall be reduced by 10 per centum of an annuity computed as provided in section 9 and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

"(i) The annuity as hereinbefore provided, for an employee who is a citizen of the United States, shall be increased by \$36 multiplied by total service in the employ of either the Alaska Engineering Commission or The Alaska Railroad in the Territory of Alaska between March 12, 1914, and July 1, 1923, or in the employ of either the Isthmian Canal Commission or the Panama Railroad Company on the Isthmus of Panama between May 4, 1904, and April 1, 1914.

"SURVIVOR ANNUITIES

"SEC. 10. (a) (1) If a Member or employee dies after having retired under any provision of this Act and is survived by a wife or husband designated under section 9 (g) such wife or husband shall be paid an annuity equal to 50 per centum of so much of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, as is designated in writing for such purpose by such Member or employee at the time he makes the election provided for by section 9 (g).

"(2) An annuity computed under this subsection shall begin on the first day of the month in which the retired employee or Member dies, and such annuity or any right thereto shall terminate upon the survivor's death or remarriage.

"(b) The annuity of a survivor designated under section 9 (h) shall be 50 per centum of the reduced annuity computed as provided in subsections (a), (b), (c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. The annuity of such survivor shall begin on the first day of the month in which the retired employee or Member dies, and such annuity or any right thereto shall terminate upon the survivor's death.

"(c) If an employee dies after completing at least five years of civilian service, or a Member dies after completing at least five years of Member service, the widow or dependent widower of such employee or Member shall be paid an annuity equal to 50 per centum of an annuity computed as provided in subsections (a), (b), (c), (e), and (f) of section 9 as may apply with respect to the employee or Member. The annuity of such widow or dependent widower shall begin on the first day of the month after the employee or Member dies, and such annuity or any right thereto shall terminate upon death or remarriage of the widow or widower, or upon the widower's becoming capable of self-support.

"(d) If an employee dies after completing five years of civilian service or a Member dies after completing five years of Member service, or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who received more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per

centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. The child's annuity shall begin on the first day of the month after the employee or Member dies, and such annuity or any right thereto shall terminate upon (1) his attaining age 18 unless incapable of self-support, (2) his becoming capable of self-support after age 18, (3) his marriage, or (4) his death. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

"(e) In case a Member separated from service with title to a deferred annuity under this Act, either prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956, shall hereafter die before having established a valid claim for annuity and is survived by a wife or husband to whom married at date of separation, such surviving wife or husband (1) shall be paid an annuity equal to one-half of the deferred annuity of such Member beginning the first day of the month following the death of such Member and terminating upon the death or remarriage of such surviving wife or husband or (2) may elect to receive a lump-sum credit in lieu of annuity if such wife or husband is the person who would be entitled to the lump-sum credit and files application therefor with the Commission prior to the award of such annuity.

"LUMP-SUM BENEFITS

"SEC. 11. (a) Any employee or Member who is separated from the service, or is transferred to a position wherein he does not continue subject to this Act, shall be paid the lump-sum credit provided his separation or transfer occurs and application for payment is filed with the Commission at least thirty-one days before the earliest commencing date of any annuity for which he is eligible. The receipt of payment of the lump-sum credit by the individual shall void all annuity rights under this Act, unless and until he shall be reemployed in the service subject to this Act. This subsection shall also apply to any employee or Member separated prior to the effective date of the Civil Service Retirement Act Amendments of 1956 after completing at least twenty years of civilian service.

"(b) Each present or former employee or Member may, under regulations prescribed by the Commission, designate a beneficiary or beneficiaries for the purposes of this Act.

"(c) Lump-sum benefits authorized under subsections (d), (e), and (f) of this section shall be paid in the following order of precedence to such person or persons surviving the employee or Member and alive at the date title to the payment arises, and such payment shall be a bar to recovery by any other person:

"First, to the beneficiary or beneficiaries designated by the employee or Member in a writing received in the Commission prior to his death;

"Second, if there be no such beneficiary, to the widow or widower of the employee or Member;

"Third, if none of the above, to the child or children of the employee or Member and descendants of deceased children by representation;

"Fourth, if none of the above, to the parents of the employee or Member or the survivor of them;

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member;

"Sixth, if none of the above, to other next of kin of the employee or Member as may be determined by the Commission to be entitled under the laws of the domicile of the individual at the time of his death.

"(d) If an employee or Member dies (1) without a survivor, or (2) with a survivor or survivors and the right of all survivors shall terminate before claim for survivor annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid.

"(e) If all annuity rights under this Act based on the service of a deceased employee or Member shall terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

"(f) If an annuitant dies, any annuity accrued and unpaid shall be paid.

"(g) Any annuity accrued and unpaid upon the termination (other than by death) of the annuity of any annuitant or survivor annuitant shall be paid to such person. Any survivor annuity accrued and unpaid upon the death of any survivor annuitant shall be paid in the following order of precedence, and such payment shall be a bar to recovery by any other person:

"First, to the duly appointed executor or administrator of the estate of the survivor annuitant;

"Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such next of kin of the survivor annuitant as may be determined by the Commission to be entitled under the laws of the survivor annuitant's domicile at the time of his death.

" ADDITIONAL ANNUITIES

"SEC. 12. (a) Any employee or Member may, under regulations prescribed by the Commission, voluntarily contribute additional sums in multiples of \$25, but the total may not exceed 10 per centum of his basic salary for his creditable service from and after August 1, 1920. The voluntary contribution account in each case shall be the sum of such unrefunded contributions, plus interest at 3 per centum per annum compounded annually to date of separation or transfer to a position not within the purview of this Act or, in case of an individual who is separated with title to a deferred annuity and does not claim the voluntary contribution account, to the commencing date fixed for such deferred annuity or date of death, whichever is earlier.

"(b) Such voluntary contribution account shall be used to purchase at retirement an annuity in addition to the annuity otherwise provided. For each \$100 in such voluntary contribution account, the additional annuity shall consist of \$7, increased by 20 cents for each full year, if any, such employee or Member is over the age of fifty-five years at the date of retirement.

"(c) A retiring employee or Member may elect a reduced additional annuity in lieu of the additional annuity described in subsection (b) and designate in writing a person to receive after his death an annuity of 50

per centum of his reduced additional annuity. The additional annuity of the employee or Member making such election shall be reduced by 10 per centum, and by 5 per centum for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

"(d) Any employee or Member who is separated from the service before becoming eligible for immediate or deferred annuity or who transfers to a position wherein he does not continue subject to this Act shall be paid the voluntary contribution account. Any employee or Member who is separated from the service after becoming eligible for a deferred annuity under section 8 may elect to receive, in lieu of additional annuity, the voluntary contribution account, provided his separation occurs and application for payment is filed with the Commission at least thirty-one days before the commencing date of annuity.

"(e) If any present or former employee or Member not retired dies, the voluntary contribution accounts shall be paid under the provisions of section 11 (c). If all additional annuities or any right thereto based on the voluntary contribution account of a deceased employee or Member terminate before the total additional annuity paid equals such account, the difference shall be paid under the provisions of section 11 (c).

"REEMPLOYMENT OF ANNUITANTS

"Sec. 13. (a) Notwithstanding any other provision of law, an annuitant heretofore or hereafter retired under this Act shall not, by reason of his retired status, be barred from employment in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

"(b) If an annuitant under this Act (other than (1) a disability annuitant whose annuity is terminated by reason of his recovery or restoration of earning capacity, (2) an annuitant whose annuity was based upon an involuntary separation from the service, excluding a separation under the automatic separation provisions of this Act, or (3) a Member retired under this Act) hereafter becomes employed, or on the date of enactment of the Civil Service Retirement Act Amendments of 1956 is serving, in an appointive or elective position, his service on and after the date he was or is so employed shall be covered by this Act. No deductions for the fund shall be withheld from his salary, but there shall be deducted from his salary, except for lump-sum leave payment purposes under the Act of December 21, 1944, a sum equal to the annuity allocable to the period of actual employment, and this provision concerning the lump-sum leave payments shall also be effective in the case of each retired employee separated from reemployment after December 15, 1953, and before the effective date of the Civil Service Retirement Act Amendments of 1956: Provided, That if such annuitant serves on a full-time basis for at least one year in employment not excluding him under section 2 (b) from coverage, (1) his annuity upon termination of employment shall be increased by an annuity computed under subsections (a), (b), (d), (e), and (f) of section 9 as may apply based upon the period of and the basic salary (before deduction) averaged during such employment, and (2) his lump-sum credit shall not be reduced by annuity paid during such employment. The employment of an annuitant under this subsection shall not operate to create an annuity for or in any manner affect the annuity of any survivor.

"(c) If a Member heretofore or hereafter retired under this Act hereafter becomes employed in an appointive or elective position, annuity payments shall be discontinued during such employment and resumed in the same amount upon termination of such employment: Provided, That if such retired Member takes office as Member and gives notice as provided in section 2 (c), his service as Member during such period shall be credited in determining his right to and the amount of his subsequent annuity: Provided further, That this subsection shall not apply to a Member appointed by the President of the United States to a position not requiring confirmation by the Senate.

"PAYMENT OF BENEFITS

"SEC. 14. (a) Each annuity is stated as an annual amount, one-twelfth of which, fixed at the nearest dollar, accrues monthly and is payable on the first business day of the month after it accrues.

"(b) Except as otherwise provided, the annuity of an employee shall commence on the first of the month after separation from the service, or on the first of the month after salary ceases provided the employee meets the service and the age or disability requirements for title to annuity at that time. The annuity of a Member or of an elected officer of the Senate or House of Representatives shall commence on the day following the day on which salary shall cease provided the person entitled to such annuity meets the service and the age or disability requirements for title to annuity at that time. The annuity of an employee or Member under section 8 shall commence on the first of the month after the occurrence of the event on which payment of the annuity is based.

"(c) An annuity shall terminate on the last day of the month preceding the month in which death or any other terminating event provided in this Act occurs.

"(d) Any person entitled to annuity from the fund may decline to accept all or any part of such annuity by a waiver signed and filed with the Commission. Such waiver may be revoked in writing at any time, but no payment of the annuity waived shall be made covering the period during which such waiver was in effect.

"(e) Where any payment is due a minor, or a person mentally incompetent or under other legal disability, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: Provided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, payment may be made to any person who in the judgment of the Commission is responsible for the care of the claimant, and such payment shall be a bar to recovery by any other person.

"EXEMPTION FROM LEGAL PROCESSES

"SEC. 15. (a) None of the moneys mentioned in this Act shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

"(b) Notwithstanding any other provision of law, there shall be no recovery of any payments under this Act from any person when, in the judgment of the Commission, such person is without fault and such recovery would be contrary to equity and good conscience; nor shall there

be any withholding of recovery of any moneys mentioned in this Act on account of any certification or payment made by any former employee of the United States in the discharge of his official duties unless the head of the department or agency on behalf of which the certification or payment was made certifies to the Commission that such certification or payment involved fraud on the part of such employee.

“ADMINISTRATION

“SEC. 16. (a) This Act shall be administered by the Commission. Except as otherwise specifically provided herein, the Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

“(b) Applications under this Act shall be in such form as the Commission shall prescribe, and shall be supported by such certificates from departments or agencies as the Commission may deem necessary to the determination of the rights of applicants. The Commission shall adjudicate all claims under this Act.

“(c) Questions of dependency and disability arising under this Act shall be determined by the Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the disability or dependency of any person receiving or applying for annuity under this Act, and may suspend or deny any such annuity for failure to submit to any such examination.

“(d) An appeal to the Commission shall lie from any administrative action or order affecting the rights or interests of any person or of the United States under this Act, the procedure on appeal to be prescribed by the Commission.

“(e) Fees for examinations made under the provisions of this Act, by physicians or surgeons who are not medical officers of the United States, shall be fixed by the Commission, and such fees, together with reasonable traveling and other expenses incurred in connection with such examinations, shall be paid out of the appropriations for the cost of administering this Act.

“(f) The Commission shall publish an annual report upon the operations of this Act and shall include in each such report a statement with respect to the status of the fund on a normal cost plus interest basis.

“(g) The Commission is hereby authorized and directed to select three actuaries, to be known as the Board of Actuaries of the Civil Service Retirement System. It shall be the duty of such Board to report annually upon the actuarial status of the system and to furnish its advice and opinion on matters referred to it by the Commission, and it shall have the authority to recommend to the Commission and to the Congress such changes as in the Board's judgment may be deemed necessary to protect the public interest and maintain the system upon a sound financial basis. The Commission shall keep or cause to be kept such records as it deems necessary for making periodic actuarial valuations of the Civil Service Retirement System, and the Board shall make such valuations at intervals of five years, or oftener if deemed necessary by the Commission. The compensation of the members of the Board of Actuaries, exclusive of such

members as are in the employ of the United States, shall be fixed by the Commission.

"CIVIL SERVICE RETIREMENT AND DISABILITY FUND

"SEC. 17. (a) The fund is hereby appropriated for the payment of benefits as provided in this Act.

"(b) The Secretary of the Treasury is hereby authorized to accept and credit to the fund moneys received in the form of donations, gifts, legacies, or bequests, or otherwise contributed for the benefit of civil-service employees generally.

"(c) The Secretary of the Treasury shall immediately invest in interest-bearing securities of the United States, such currently available portions of the fund as are not immediately required for payments from the fund, and the income derived from such investments shall constitute a part of the fund.

"(d) The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the fund. Such obligations issued for purchase by the fund shall have maturities fixed with due regard for the needs of the fund and bear interest at a rate equal to the average rate of interest computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate. Such obligations shall be issued for purchase by the fund only if the Secretary of the Treasury determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

"(e) The Commission shall submit estimates of the appropriations necessary to finance the fund on a normal cost plus interest basis and to continue this Act in full force and effect.

"SHORT TITLE

"SEC. 18. This Act may be cited as the 'Civil Service Retirement Act'."

MEMBERS OF FACULTY OF NAVAL ACADEMY

SEC. 402. (a) On and after the effective date of this title persons employed as members of the civilian faculties of the United States Naval Academy and the United States Naval Postgraduate School shall be included within the terms of the Civil Service Retirement Act, and on and after that date the Act of January 16, 1936 (49 Stat. 1092), as amended, shall not apply to such persons.

(b) In lieu of the deposit prescribed by section 4 (c) of the Civil Service Retirement Act, an employee who by virtue of subsection (a) is included within the terms of such Act shall deposit, for service rendered prior to the effective date of this title as a member of the civilian faculty of the United States Naval Academy or of the United States Naval Post-

graduate School, a sum equal to so much of the repurchase price of his annuity policy carried as required by the Act of January 16, 1936, as amended, as is based on the monthly allotments which were registered with the Navy Allotment Office toward the purchase of that annuity, the deposit to be made within six months after the effective date of this title. Should the deposit not be made within that period no credit shall be allowed under the Civil Service Retirement Act for service rendered as a member of the civilian faculty of the United States Naval Academy or of the United States Naval Postgraduate School subsequent to July 31, 1920, and prior to the effective date of this title. If the deposit is made, such service shall be held and considered to be service during which the employee was subject to the Civil Service Retirement Act.

CONTINUATION OF PRIOR RIGHTS

SEC. 403. Except as otherwise provided, the amendments made by this title shall not apply in the case of employees or Members retired or otherwise separated prior to its effective date, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if this title had not been enacted. In the case of any Member heretofore separated with title to an annuity under the Act of May 29, 1930, as amended, the annuity of such Member and of any survivor of such Member shall be computed, and shall be paid only from and after the effective date of this title, as if the Act of August 11, 1955 (69 Stat. 692), had been in effect on the date of the separation of such Member.

VICE PRESIDENT

SEC. 404. In the case of any person holding the office of Vice President on the effective date of this title, service performed in such office shall be considered service during which he was subject to the Civil Service Retirement Act for the purpose of section 3 (g) thereof.

FORFEITURE OF ANNUITIES OF PERSONS REMAINING OUTSIDE UNITED STATES TO AVOID PROSECUTION

SEC. 405. The Act entitled "An Act to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes", approved September 1, 1954 (68 Stat. 1142), is amended by adding at the end of section 2 thereof a new subsection as follows:

"(c) In any case in which, after the date of enactment of this subsection, any person under indictment for any offense within the purview of the first section of this Act wilfully remains outside the United States, its Territories, and possessions, for a period in excess of one year with knowledge of such indictment, no annuity or retired pay shall be paid, for any period subsequent to the end of such one-year period to such person or to the survivor or beneficiary of such person, on the basis of the service of such person, as an officer or employee of the Government unless and until a nolle prosequi to the entire indictment is entered upon the record or such person returns and thereafter the indictment is dismissed or after trial by court the accused is found not guilty of the offense or offenses charged in the indictment."

EFFECTIVE DATE

SEC. 406. This title shall take effect on the first day of the first month which begins more than sixty days after the date of enactment of this Act.

SHORT TITLE

SEC. 407. This title may be cited as the "Civil Service Retirement Act Amendments of 1956."

TITLE V—ADDITIONAL SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 501. (a) Subsections (a) and (b) of the first section of the Act of August 1, 1947 (61 Stat. 715; Public Law 313, Eightieth Congress), as amended, are amended to read as follows: "(a) the Secretary of Defense is authorized to establish and fix the compensation for not more than one hundred and twenty positions in the Department of Defense and not more than twenty-five positions in the National Security Agency, each such position being established to effectuate those research and development functions, relating to the national defense, military and naval medicine, and any and all other activities of the Department of Defense and the National Security Agency, as the case may be, which require the services of specially qualified scientific or professional personnel.

"(b) The Chairman of the National Advisory Committee for Aeronautics is authorized to establish and fix the compensation for, in the headquarters and research stations of the National Advisory Committee for Aeronautics, not to exceed thirty positions in the professional and scientific service, each such position being established in order to enable the National Advisory Committee for Aeronautics to secure and retain the services of specially qualified personnel necessary in the discharge of the duty of the Committee to supervise and direct the scientific study of the problems of flight with a view to their practical solution."

(b) Nothing contained in the amendment made to such Act of August 1, 1947, by subsection (a) of this section shall affect any position existing under authority of subsection (a) of the first section of such Act of August 1, 1947, as in effect immediately prior to the effective date of such amendment, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (a) of such first section of such Act of August 1, 1947, as contained in the amendment made by subsection (a) of this section.

SEC. 502. Section 505 (b) of the Classification Act of 1949, as amended (69 Stat. 179; 5 U. S. C., sec. 1105), is amended to read as follows:

"(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed twelve hundred and twenty-six) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed three hundred and twenty-nine for grade 17 and one hundred and thirty for grade 18."

SEC. 503. (a) The United States Civil Service Commission, the Librarian of Congress, the Comptroller General of the United States, and the Director of the Federal Bureau of Investigation of the Department of Justice, respectively, with respect to those positions within the purview of subsec-

tions (b), (c), (d), and (e), respectively, of section 505 of the Classification Act of 1949, as amended, and the appropriate authority, with respect to those positions under jurisdiction of such authority which are allocated to or placed in grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949, as amended (including such positions so allocated or placed on a temporary or present incumbency basis), under any provision of law (including any reorganization plan) other than the above-specified subsections, which is in effect on or after the date of enactment of this subsection, shall submit, so long as such provision of law or reorganization plan remains in effect, to the Congress, not later than February 1 of each year, a report which sets forth—

(1) the total number of such positions allocated to or placed in all of such grades during the immediately preceding calendar year, the total number of such positions allocated to or placed in each of such grades during such immediately preceding calendar year, and the total number of such positions in existence during such immediately preceding calendar year and the grades to or in which such total number of positions in existence are allocated or placed,

(2) the name, rate of compensation, and description of the qualifications of each incumbent of each such position, together with the position title and a statement of the duties and responsibilities performed by each such incumbent,

(3) the position or positions in or outside the Federal Government held by each such incumbent, and his rate or rates of compensation, during the five-year period immediately preceding the date of appointment of each such incumbent to such position, and

(4) such other information as the Commission, officer, or other appropriate authority submitting such report may deem appropriate or which may be required by the Congress or a committee thereof.

Nothing contained in this subsection shall require the resubmission of any information required under paragraphs (2) and (3) of this subsection which has been reported pursuant to this subsection and which remains unchanged.

(b) In any instance in which the Commission, officer, or other appropriate authority so required to submit such report may find full public disclosure of any or all of the above-specified items to be detrimental to the national security, such Commission, officer, or authority is authorized—

(1) to omit in such annual report those items with respect to which full public disclosure is found to be detrimental to the national security,

(2) to inform the Congress of such omission, and

(3) at the request of any congressional committee to which such report is referred, to present all information concerning such items.

And the Senate agree to the same.

TOM MURRAY,
EDWARD H. REES,
JAMES H. MORRISON,
Managers on the Part of the House.

OLIN D. JOHNSTON,
JOHN O. PASTORE,
FRANK CARLSON,
WILLIAM E. JENNER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment and that the Senate agree to the same.

The conference substitute consists of five titles:

- (1) Title I. Executive Pay
- (2) Title II. Terms of Civil Service Commissioners and Succession to Duties of Chairman
- (3) Title III. Miscellaneous Provisions
- (4) Title IV. Civil Service Retirement
- (5) Title V. Scientific and Professional Positions

The House bill related only to executive pay.

TITLE I. EXECUTIVE PAY

Title I of the conference substitute establishes salary levels for Cabinet officers, sub-Cabinet officers, and other executives of the Federal Government generally conforming to the salary levels for such officials provided by the bill as passed by the House. The salary levels for Cabinet officers (\$25,000), for the Under Secretary of State, the Deputy Secretary of Defense, the Director, Office of Defense Mobilization, the Director, Bureau of the Budget, and the Comptroller General (\$22,500), and for the Secretaries of the Army, Navy, and Air Force (\$22,000), are the same as in the House bill.

Principal differences in the conference substitute and the bill as passed by the House are: (1) Chairmen of major boards and commissions are in salary level \$20,500 under the conference substitute, compared to levels of \$19,500 and \$20,000 in the House bill and (2) Assistant Secretaries of executive and military departments (including Assistant Postmasters General), administrators of certain bureaus and agencies, and members of major boards and commissions are placed in the \$20,000 salary level under the conference substitute, compared to a salary level of \$19,000 in the House bill. The salaries of governors of Territories and possessions are placed at \$19,000 under the conference substitute.

The conference substitute establishes a proper alignment between salaries of Cabinet officers, sub-Cabinet officers, and the heads of the

various agencies, independent establishments, and bureaus in accordance with the level of the duties and responsibilities of such positions.

The Senate amendment provided for the establishment of specified numbers of administrative assistants and other secretaries or immediate staff assistants in the White House Office. The conferees on the part of the House agreed to the total number of such positions as contained in the Senate amendment, and the conference substitute approves such positions without regard to the assignment and distribution thereof.

In accordance with the bill as passed by the House, the conference substitute increases the maximum salaries under the Classification Act of 1949 (grade GS-18) and under the Postal Field Service Compensation Act of 1955 (salary level 20) from \$14,800 to \$16,000, with appropriate adjustments in salary steps for the immediate lower grade and levels provided in those acts. Maximum salaries for chief medical officers and assistants in the Veterans' Administration are increased, under the conference substitute and the bill as passed by the House, to maintain the existing relationship between such salaries and the salaries of other Government officials and of classified and postal field service positions.

TITLE II. TERMS OF CIVIL SERVICE COMMISSIONERS AND SUCCESSION TO DUTIES OF CHAIRMAN

Title II of the conference substitute establishes 6-year, staggered terms of office for United States Civil Service Commissioners; provides for designation by the President of a Vice Chairman of the Commission; and provides a line of succession to perform the duties and responsibilities of the Chairman of the Civil Service Commission by the Vice Chairman, in the absence of the Chairman, and by the other member of the Commission in the absence of the Chairman and Vice Chairman. The bill as passed by the House contained no such provision. However, this provision of the conference substitute is identical to the recommendation of the House committee in House Report No. 1844 with respect to the terms of office of Civil Service Commissioners and succession to the responsibilities of Chairman of the Commission in his absence.

TITLE III. MISCELLANEOUS PROVISIONS

Title III of the conference substitute provides for the appointment by the President, by and with the advice and consent of the Senate, of a General Counsel of the Post Office Department, a General Counsel of the Department of Agriculture, and a General Counsel of the Department of Health, Education, and Welfare to replace the existing offices of the chief legal officers of such Departments, which will be abolished. The House bill contained no such provision.

The Senate amendment authorized the Director of the Administrative Office of the United States Courts to place a total of 4 positions in grade GS-18 of the general schedule of the Classification Act of 1949, and provided that the positions of 7 directors of commodity offices, Commodity Stabilization Service, Department of Agriculture, shall be in grade GS-16 of such schedule. The bill as passed by the House contained no such provisions. The conference substitute does not contain such provisions, but increases by 11 positions the total

number of supergrade positions which a majority of the Civil Service Commissioners are authorized to place in appropriate grades of the general schedule. It is the understanding of the committee on conference that the Civil Service Commission will immediately consider the 11 positions in question to determine if they merit these grades. Three positions allocated by the Senate bill in grade 18 for deputy administrators for the Agricultural Research Service are contained in the conference substitute. The bill as passed by the House contained no such provision.

TITLE IV. CIVIL SERVICE RETIREMENT

The conference substitute contains a complete revision of the Civil Service Retirement Act of May 29, 1930. The House bill contained no such provision.

The conference substitute greatly liberalizes retirement benefits of Federal employees. The cost to the Government of the added benefits is estimated at \$310 million a year. The major new employee benefits provided by the conference substitute are:

Annuities will be computed at (a) 2 percent of the high average salary multiplied by all years of service in excess of 10 plus 1½ percent of such salary multiplied by the first 5 years of service, plus 1¼ percent of the years of service from 5 to 10, or (b) 1 percent of high average salary, plus \$25, multiplied by total years of service, whichever is greater. Under present law annuities are computed on the basis of 1½ percent of high average salary, or 1 percent of such salary plus \$25, multiplied by total years of service, whichever is greater.

The annuity of an employee electing a survivor annuity will be reduced by 2½ percent of the first \$2,400 and 10 percent of the balance. The present reduction is 5 percent of the first \$1,500 and 10 percent of the balance.

Optional retirement is authorized at age 62 after 5 years of service, with the right to elect survivor benefits. Present law provides an annuity after 5 years of service, but requires 15 years of service for election of survivor benefits.

The present right to retire on a reduced annuity at age 55 after 30 years of service is continued.

The reduction factor for retirement before reaching age 60 is changed from 3 percent a year to 1 percent for each year the retiring employee is under age 60 and 2 percent for each year under age 55.

Disability benefits are liberalized by providing a minimum of 40 percent of the average salary, or the annuity which would have been earned at age 60, whichever is the lesser.

An annuity is granted upon involuntary separation after attaining the age of 50 years with 20 years of service, and the existing provision for annuity upon involuntary separation after 25 years of service, regardless of age, is continued.

Upon death of an employee after 5 years of service, or of a retired employee, the surviving widow or widower will receive an annuity equal to 50 percent of the earned annuity of the decedent, beginning the first month after such death.

Survivor annuities of children of an employee who dies after 5 years of service, or of a retired employee who dies, are increased by an average of 150 percent.

An annuitant who is reemployed and serves at least 1 full-time year on active duty in a position covered by the Retirement Act will receive an annuity based on his reemployed service as well as his annuity based on the original retirement. Any lump-sum leave credit will not be reduced by reason of annuity paid to him during reemployment.

Members of the civilian faculties of the Naval Academy and Naval Postgraduate School, and United States commissioners who meet certain tests of minimum compensation and service, are brought into the civil service retirement system.

STATUS OF CIVIL SERVICE RETIREMENT FUND

In the judgment of the managers on the part of the House, the conference substitute is both generous and realistic. It provides greatly liberalized retirement benefits and at the same time improves the financial soundness of the civil service retirement fund.

The financial condition of the retirement fund has deeply concerned the House Post Office and Civil Service Committee for some time past. Recommendations of the committee based on its extensive study of methods of financing the fund were presented to the House and printed in House Report No. 1844, 84th Congress.

The committee found that there are three essentials to proper financing of the retirement fund. They are (1) employee contributions to the fund in amounts related to benefits provided and to recognized standards for a staff annuity system, (2) equal contributions to the fund by the Government as a payroll cost of each department and agency, and (3) appropriations by the Government to the fund in amounts which, when added to such contributions by the employees and matching contributions by the Government, will place in the fund each year the sum required to maintain it on a "normal cost plus interest" basis.

The normal cost-plus-interest basis for financing the retirement fund is defined in the conference substitute. In brief, it requires appropriations to the retirement fund each year to cover that part of the Government's share of accrued normal costs for the current year which are not met by the matching contributions of the departments and agencies and, in addition, interest on the past deficiency of the fund. When added to the contributions of the employees and of the departments and agencies, such appropriations will maintain the fund on a sound basis and the present deficit (\$13,435,000,000 at June 30, 1955) will not be further increased.

The Civil Service Commission estimates that upon approval of the conference substitute an appropriation of approximately \$555 million will be required each fiscal year to maintain the retirement fund on a normal cost-plus-interest basis. The fund also will receive \$582 million from employee deductions and a like amount from contributions by the departments and agencies.

The normal cost plus interest method of financing the retirement fund is recommended by the board of actuaries of the civil service retirement and disability fund, by the Committee on Retirement Policy for Federal Personnel (created by Public Law 555, 82d Cong., to study all Federal retirement systems) and by independent actuarial and retirement authorities. It is the traditional basis of appropriation estimates by the Civil Service Commission for financing the fund.

It is emphasized that the major portion of the past deficiency, on which the Government pays interest, results from two factors—first, the “starting load” when the retirement system was first established, that is, the requirement to pay annuities based on long periods of service during which little or no contributions were made by the employees being retired under the system, and second, numerous increases in benefits throughout the years since with no accompanying provision for adequate financing. This condition necessitates the adoption of a firm basis for financing the retirement fund which will prevent further increase in the deficiency. The conference substitute contains the three essentials for financing the retirement fund on a normal cost plus interest basis, which will accomplish this purpose. It requires employees’ contributions of 6½ percent of salary and matching contributions by the departments and agencies. It directs the Civil Service Commission to submit annual estimates of appropriations necessary to finance the fund on a normal cost plus interest basis and to continue the retirement system in full force and effect.

These and certain other fiscal adjustments provided by the conference substitute will greatly strengthen the financing of the retirement fund and assure its soundness in the future. The benefits granted by the conference substitute are the maximum benefits that could be granted Federal employees within the limits of sound financing.

The conference substitute authorizes the Secretary of Defense to establish not more than 120 scientific and professional positions (in lieu of 45 now authorized) in the Department of Defense and not more than 25 such positions in the National Security Agency, to carry out research and development functions relating to national defense and military and naval medicine. It authorizes the Chairman of the National Advisory Committee for Aeronautics to establish 30 such positions in his agency. A salary range of \$12,500 to \$19,000 is established for such positions by title I of the conference substitute. The bill as passed by the House contained no such provision. However, the House in this Congress already has passed H. R. 11040, to create a substantially larger number of such positions. It is expected that the need for additional positions of this type will be reexamined early in the next Congress.

The conference substitute also increases, from 1,200 to 1,226, the maximum number of positions in grades 16, 17, and 18 of the general schedule in the Classification Act of 1949 which a majority of the Civil Service Commissioners are authorized to establish in accordance with that act. The existing provision for reports by the Civil Service Commission to Congress on the total number of such positions and the number thereof in each supergrade, contained in the Senate amendment, is replaced in the conference substitute by a requirement for reports to Congress by the Commission, and by other authorities authorized to establish like positions, setting forth, in addition to such information, information with respect to qualifications of incumbents of these positions and other information that is deemed appropriate or required by the Congress or a committee thereof.

The language in the conference substitute is identical to many sections of S. 2875, as reported to the House, and in other respects to the language contained in the bill as it passed the Senate. In this respect attention is directed to a more complete analysis in House Report No. 2854 and Senate Report No. 1787, reports on S. 2875.

TOM MURRAY,
EDWARD H. REES,
JAMES H. MORRISON,

Managers on the Part of the House.

○

EXECUTIVE PAY BILL

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dated 13 July 1955
- Tab B - Kluttz Column re Executive Pay - July 1955
- Tab C - Administration Proposals - July 1955
- Tab D - Summary Justification for House and Senate Committees
- Tab E - H.R. 7619 (as it passed the House)
- Tab F - S. 2628 (as reported by Senate Committee)
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20 August 1956

MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT: Senior Executive Pay Scales

1. This memorandum is for information only. I received a call today from Bob Smart, Chief Counsel, House Committee on Armed Services, who has been our main contact with that Committee on routine matters. He had a copy of the Director's letter, presumably the one addressed to Mr. Vinson, on the proposal to establish Senior Executive Pay Scales. Mr. Smart noted that it cited for authority Public Law 110 and wished to know specifically what provision in that law authorized such salaries. I explained to him our exemption from the Classified Civil Service and the authorities in Section 10 of our Act which constituted us as an administrative agency with legal authority to set employee salaries as the Director saw fit.

2. Mr. Smart asked about former Section 9 setting three salaries for scientific positions, and I reminded him that this had been repealed in 1954. I said that our discussions with the Comptroller General on retroactive pay increases had confirmed our authority to make prospective increases as we saw fit, although denying us retroactive authority in this regard.

3. Mr. Smart said his inquiry was merely to make sure that we all understood the basis for this proposal as he saw no objection to it and, in fact, "was all for it personally". He expressed himself as satisfied on the legal aspects.



Lawrence R. Houston
General Counsel

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CIA INTERNAL USE ONLY

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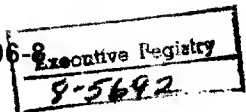
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Lawrence R. Houston
General Counsel

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14 August 1956

MEMORANDUM FOR: Colonel White, DD/S

I had a brief discussion this afternoon with Governor Adams concerning my letter to the President with regard to the revision of our salary scale, incident to the passage of the Executive Pay Bill.

I told Governor Adams that the Bureau of the Budget had raised a few questions but that I thought that I could work out a reasonable agreement with them, and asked his permission to proceed in case such an agreement was reached.

Governor Adams asked whether I thought that a formal reply from the President was necessary, and I said that I did not think it was, provided I had his general agreement to go forward with the program if I was able to work out a schedule agreeable to the Bureau of the Budget. I pointed out that I had adequate legal authority to proceed, but that I would not wish to do so if there was any opposition to it from the White House. Governor Adams indicated that it would be quite satisfactory to the White House for me to go ahead in agreement with the Bureau of the Budget. It was understood that if we had difficulty reaching an agreement, I could refer the matter again to him.

SIGNED

ALLEN W. DULLES
Director

AWD:at
Distribution:
Orig - Addressee
2 cc - DCI File
1 cc - ER

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To JSE 11/17

~~ER 8-5601/a returned 11/17~~
~~Letter to Brundage from D/S~~

ER 8-5740 17 Aug 56
Memo to Dep Dir (Support)
subj via Senior Exec Pay Scales

ER 8-5692 14 Aug 56
Memo to D D/S

~~The President~~
~~to White House~~ returned
8 Aug 56

ER 8-5607/a

17 August 1956

The Honorable Percival Brundage
Director, Bureau of the Budget
Washington 25, D. C.

Dear Mr. Brundage:

I had to refer to your letter of 14 August 1956 and to our conversation of this morning with regard to the pay scale for a small number of the senior executive officers and technical and specially qualified scientific or professional personnel working for the Agency. I have noted your approval with regard to the pay scale for my three Deputies. (It is possible that in view of the work load and the appropriate allocation of functions here, I may later designate a further Deputy Director but I have no immediate plans for doing so.)

Pending further consultation with the Bureau of the Budget I will defer any action with respect to the proposed salary raises for the Category III personnel described in the attachment to my letter of August 9, 1956 and for the time being at least these positions will remain at the GS-10 level.

I propose to proceed to increase the compensation of nine of the headquarters positions described in Category II and reserve for future action the question of similar raises for two additional positions in this Category, which fall within the definition of "specially qualified scientific or technical personnel" referred to in Title V, Section 501(a) of Public Law 854, 84th Congress, i.e., the Federal Executive Pay Act of 1956". (Referring to the attachment to my letter of 9 August, the two positions upon which I would defer action at this time are: Chief, Technical Services Staff, and Chief, Medical Staff.)

I would also propose to compensate in the \$18,000 - \$19,000 class (Category II) four of the Chiefs of my most important field stations.

Return to [Signature]

August 8, 1956

The President
The White House

Dear Mr. President:

The Central Intelligence Agency, since its creation, has been exempted from the Classified Civil Service and was authorized by statute to set salaries of its employees by its own administrative action. The only salaries fixed by statute are those of the Director and the Deputy Director of Central Intelligence. In the Executive Pay Act of 1956, these are set at \$21,000 and \$20,500, respectively. For reasons of security this Act did not cover any other of our senior personnel, whereas the Act provided for the senior executives of many other departments and agencies.

Up to the present, all salaries other than those of the Director and Deputy have been based on the General Schedule established by Congress for the Classified Civil Service. In practice, therefore, the highest salary paid to employees of this Agency has been that of GS-18, namely \$14,800, until raised by the new Act to \$16,000 per annum.

At existing salary levels it has been increasingly difficult to obtain and retain the highly expert and technically trained individuals needed for the principal executive and operational positions in this Agency. As you know, for security and other reasons, we cannot offer the reward of public recognition for faithful government service, which is part of the compensation of such service in responsible posts in other government agencies as, for example, an Ambassadorship, General Officer and Flag rank of the military services, or other titled offices.

Yet the senior officials of this Agency must in fact perform duties of a nature which in the Executive Departments of the Government would be the responsibility of the above statutory positions as well as those of assistant secretaries, bureau heads, and similar offices. Because the

duties of our senior officials are concerned with the most confidential and sometimes hazardous aspects of our work, their positions must not be publicized, but their responsibilities and standing in the intelligence hierarchy should be recognized by appropriate gradation within the Agency and compensation equivalent to that of similar positions elsewhere in Government. I have legal authority to do this by administrative action. The Executive Pay Act by creating a gap between the salaries of myself and my Deputy and that of a GS-18 provides a logical occasion for taking such action which seemed inappropriate until that Act was passed.

I propose therefore to establish three categories of offices above the GS-18 level for the top officials of this Agency. I consider that the three Agency Deputies who are responsible immediately to me have equivalent responsibilities to those of Assistant Secretaries of Executive Departments and should be compensated accordingly at \$20,000 per annum. Certain other key individuals in the Agency would be divided into two categories to be compensated at \$18,000 to \$19,000 per annum and \$17,000, respectively. The total number of positions to be so graded would be approximately 25 in Headquarters and ten in the foreign field. The increased cost of this action would be only approximately \$75,000 per annum, which we can absorb in our existing budget. The morale effect on present employees and the increased ability to recruit qualified personnel would be enormous.

During the discussion of our 1957 Budget, I informally raised this problem with certain members of the committees of the Congress which have immediate concern with the affairs of this Agency, and I have recently discussed the matter with Dr. Killian, Chairman of the President's Board of Consultants. They seemed to appreciate the justification for the action proposed, although I have not sought any formal approval from either.

A copy of this letter is being sent to the Director of the Bureau of the Budget.

Respectfully yours,

Allen W. Dulles
Director

cc: Director, Bureau of the Budget

AWD:at

Orig - Addressee

1 cc - Gen. Counsel

- 2 -

1 cc - DD/S ✓

1 cc - ER

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Similar letters were sent to:

The Honorable Clarence Cannon
Chairman, Committee on Appropriations

The Honorable Carl Hayden
Chairman, Senate Appropriations

The Honorable Richard Russell
Chairman, House Armed Services

The Honorable John Taber

The Honorable Dewey Short

Approved For Release 2003/08/20 : CIA-RDP80R01731R000200010096-8

10 August 1956

The Honorable Carl Vinson
Chairman
Committee on Armed Services
U. S. House of Representatives
Washington 25, D. C.

Dear Mr. Chairman:

You may recall that I have discussed with you and with your CIA subcommittee of the Armed Services Committee the problem of the pay scale of the senior officers of this Agency. In particular I pointed out that it was becoming increasingly difficult to obtain and to retain the highly qualified personnel which were necessary to carry out the important assignments given this Agency under law and under National Security Council directives. In the present world situation, with which you are so familiar, this is becoming more and more difficult.

You and the members of your subcommittee were, I felt, quite sympathetic to the idea of my using the powers granted me under the Central Intelligence Agency Act of 1949 (P.L. 110, 81st Congress) to effect adjustment of the salary scale. Due to the pendency of the Executive Pay Bill, however, I thought it was wise to await action on that measure before proceeding.

The Executive Pay Bill has now become law (P.L. 854, 84th Congress), and it adjusts the salary of the Director and Deputy Director of Central Intelligence. For security reasons, however, we had not proposed the inclusion of other senior CIA officials in the Executive Pay Bill, as was the case with most executive departments and agencies of the Government. Under these circumstances I have consulted with the White House and with the Bureau of the Budget, with the view to putting into effect a pay increase which would affect about twenty five of the senior officers of the Agency in headquarters and about ten in the field. The total annual cost of the increases presently contemplated will be roughly \$75,000 per annum. This we can readily absorb in our existing budget.

In the light of the pay increases now specifically authorized for comparable positions in the Departments of State and of Defense, I feel that this is a modest allocation to the Central Intelligence Agency, and it will have a most important and beneficial morale effect. While I felt that in this matter I had your sympathetic understanding, I wanted you to know of the lines along which I am thinking and of the action I have proposed to the White House and the Budget Bureau.

I shall of course report to your subcommittee on this matter when I have the pleasure of meeting with you next year.

Sincerely yours,

15142
Allen W. Dulles
Director

August 8, 1956

The President
The White House

Dear Mr. President:

The Central Intelligence Agency, since its creation, has been exempted from the Classified Civil Service and was authorized by statute to set salaries of its employees by its own administrative action. The only salaries fixed by statute are those of the Director and the Deputy Director of Central Intelligence. In the Executive Pay Act of 1956, these are set at \$21,000 and \$20,500, respectively. For reasons of security this Act did not cover any other of our senior personnel, whereas the Act provided for the senior executives of many other departments and agencies.

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A copy of this letter is being sent to the Director of the Bureau of the Budget.

Respectfully yours,

Allen W. Dulles
Director

cc: Director, Bureau of the Budget

AWD:at

Orig - Addressee

1 cc - Gen. Counsel

- 2 -

1 cc - DD/S

1 cc - ER

10 August 1956



MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Defense Positions for Scientific and Professional Personnel

1. This memorandum is for information only.
2. You inquired about the meaning of the amendments to the Executive Pay Act establishing up to 120 positions in the Department of Defense and not more than 25 positions in the National Security Agency for research and development functions relating to national defense.
3. The original Act of 1947 provided for 6 such positions in the entire Department of Defense and compensation was to be between \$10,000 and \$15,000 per annum and would be established subject to the approval of the Civil Service Commission. The new amendment provides that any of the positions authorized may be paid between \$12,500 and \$19,000 per annum but again, the establishment of each salary is subject to the approval of the Civil Service Commission except that any one position drawing under \$12,500 under the old Act will automatically go to \$12,500 under the new Act. All of these positions are included by statute in the Classified Civil Service and the Act requires approval of the proposed appointees qualifications by the Civil Service Commission or its designee. Presumably, therefore, a schedule would be set for this group so that, as an example, the 25 positions in the National Security Agency would be scattered between \$19,000 and \$12,500; but if the Civil Service were to approve, it is technically possible to have all 25 positions at \$19,000. Full reports on all appointments and appointees must be made to Congress each year.



LAWRENCE R. HOUSTON
General Counsel

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LAWRENCE R. HOUSTON
General Counsel

OGC/LRH:mks

26 July 1956

MEMORANDUM FOR: The Director

SUBJECT: Conference Report on Executive Pay

Director of Central Intelligence at \$21,000. All other positions in that category same as in Senate bill except that \$22,000 is provided for present incumbent of position of Director of FBI. The position of Director of FBI, however, is at \$21,000.

Deputy Director of Central Intelligence at \$20,500. Other positions in that category same as Senate bill.

Norman S. Paul
Legislative Counsel

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24 July 1956

MEMORANDUM FOR: The Director

SUBJECT: Chronology of Executive Pay - 84th Congress

1. Information was received in the late Spring of 1955 that the Administration was considering the possibility of proposing a broad revision to the Executive Pay Act of 1949. During the period up to the first of July there were staff discussions between CIA and the White House Personnel Office concerning provisions in such a bill relating to the Central Intelligence Agency. At one point, proposals were discussed which would provide for a group of positions immediately below the Director and Deputy Director of Central Intelligence, but these were abandoned.
2. On 13 July 1955, the Director sent a letter to the Director of the Bureau of the Budget on this subject (Tab A). This letter summarized the present salary status of the Director and Deputy Director, and strongly supported the recent report on the Hoover Commission recommending that the salary of the Director be increased to the equivalent of the pay of the Deputy Secretary of Defense, and that the salary of the Deputy Director be increased to the equivalent of the pay of Under Secretaries in the Executive Departments. The letter requested that these proposals be considered by the Administration in connection with Executive Pay Act amendments. This letter was acknowledged by Roger Jones on 28 July 1955.
3. Between the 15th and 20th of July 1955, Jerry Kluttz's column in the Washington Post (Tab B) reported that the Administration had just proposed an executive pay bill to the Congress. Although there was no specific mention of the Director or Deputy Director, there was a clear implication in the article that their positions had not been ranked in anything approximating the positions recommended by the Hoover Commission and supported by the CIA.
4. On the same day, the Director and Colonel White contacted a number of members of Congress. Through the good offices of Senator Carlson, they were permitted to see a carbon of an original letter to Senator Olin Johnston signed by the President which Senator Carlson had received.

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This letter forwarded specific proposals by categories on senior positions in the Government (Tab C). The Director was placed in category IV at \$20,500 together with Deputy Directors of the Bureau of the Budget and the Veterans' Administration, Deputy Under Secretaries of Executive Departments and others. In category III at \$21,000 were the positions of Under Secretaries of Executive Departments except Defense and State, the Deputy Postmaster General, Director of the Veterans' Administration, the Administrator of GSA, the Housing and Home Finance Director, the Director of ICA and the Comptroller General. In category II at \$22,500 were the Deputy Secretary of Defense, the Under Secretary of State, the three Service Secretaries and the Director of the FBI. In category I at \$25,000 were members of the Cabinet and the Director of the Bureau of the Budget. The position of the Deputy Director of Central Intelligence was not mentioned in this communication, although it evidently had been recommended in a previous communication at \$17,500.

5. On the same day, the Director conferred jointly with Chairman Murray and Mr. Rees of the House Committee. Chairman Murray remarked generally about the inexcusable delays by the Administration in even proposing an executive pay bill, and told the Director that the problem on his salary and that of the Deputy Director was with the Administration, and not with the Congress.

6. Following these meetings, the Director conferred with the White House staff, who approved any direct approaches he might wish to make to the Congress in behalf of CIA positions. Following this, on 25 July 1955, Colonel White sent to Mr. Belen, Counsel of the House Committee, and to Mr. Kerlin, Assistant Staff Director of the Senate Committee, brief statements in justification of the CIA contention that the positions of the Director and Deputy Director should be in categories II and III of the executive pay bill (Tab D).

7. On or about 28 July 1955, the House passed H.R. 7619 (Tab E). It fixed the basic compensation of the DCI at \$22,000, in the same category with the Secretaries of the Army, Navy and Air Force and the Director of the FBI. The compensation of the DDCI was fixed at \$20,000 along with the Deputy Under Secretaries of State, the Under Secretaries of the Services and the Deputy Directors of a number of other agencies. In this bill, the compensation of the Assistant Secretaries of the Executive Departments was fixed at \$19,000, or one slot below the DDCI. The House bill also provided for a range of salaries at the GS-17 level up to a maximum of \$14,835, which is \$215 above the present maximum for that grade. The compensation for GS-18 was raised from \$14,800 to \$16,000. The House bill would take effect at

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the beginning of the first pay period following the date of enactment.

8. On 29 July 1955, the Senate Committee reported S. 2628 (Tab F). A vote was blocked prior to adjournment, however, on the principal grounds that the Committee had held no hearings. The Senate bill fixed the compensation of the DCI at \$22,000, along with the Secretaries of the Army, Navy and Air Force, the Director of the FBI and the Administrator of Veterans' Affairs. The compensation of the DDCI was fixed at \$20,000, along with several other positions, including the Assistant Secretaries of the Executive Departments. The pay range for GS-17 was the same as the range in the House bill, going up to a maximum of \$14,835. GS-18, however, was raised from \$14,800 to a range of \$16,000 to \$17,500.

9. Immediately following adjournment, CIA held staff discussions with Mr. Philip Young's office and pointed out that when the Administration reconsidered the executive pay legislation, we wanted to be sure that CIA views were taken into account. This assurance was given. On 3 December 1955, the Director sent identical letters to Philip Young and to the Director of the Bureau of the Budget, reiterating his previous position on the pay and rank of the Director and Deputy Director, and outlining in detail the reasons for this proposal (Tab G). On 9 December 1955, Mr. Young replied (Tab H) indicating that "We will be glad to give your ranking equations consideration at every stage. The approach you have taken makes the issues very clear." On 15 December 1955, the Director received a letter from Roger Jones of the Bureau of the Budget (Tab I) indicating that all executive pay matters were being handled by Philip Young, and that the Director's letter had been transmitted to him.

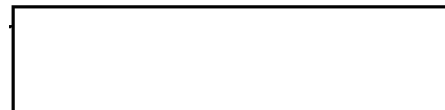
10. When the second session of the 84th Congress convened, Senator Johnston indicated that his Committee would reconsider the House and Senate executive pay bills, and on 12 January 1956 he sent a routine request to all Executive agencies, including CIA, for comments on those bills. A reply was drafted and approved for signature by the Director, in effect restating his previous position, but indicating that of the two bills under consideration, the House bill appeared preferable because of the relative rank of the Deputy Director. The Legislative Counsel was unable to clear this letter with Mr. Young's office or with the Bureau of the Budget, and on 13 February 1956, the Director signed a letter to Senator Johnston, with the concurrence of the Bureau, simply stating that S. 2628 represented a substantial advance over existing legislation (Tab J). Before signing this letter, the Director talked to Sherman Adams, and indicated his strong concern over the way in which the positions of the Director and Deputy Director were being handled.

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~~CONFIDENTIAL~~

11. On 18 July 1956, after a brief series of hearings, the Senate Committee approved Senate Report 2642 on H.R. 7619 (Tab K), which passed the Senate on 20 July 1956. It fixed the compensation of the DCI at \$21,000, together with the Director of the FBI, the Under Secretaries of all Executive Departments except State and the Deputy Secretary of Defense, and a number of other Directors of Executive agencies. There are a total of 20 positions in this category. The only executive positions at the \$22,000 level are the Secretaries of the three Service Departments. The compensation of the DDCI is fixed at \$20,500, together with 32 other positions, including the chairmen of major governmental boards and commissions, the Deputy Directors of other Executive agencies, and the three Deputy Under Secretaries of State. The Assistant Secretaries of the Executive Departments are at the \$20,000 level, as are the Assistant Secretaries and Under Secretaries of the Service Departments. The Senate bill is identical with the House bill on GS-17 and GS-18 positions. The executive pay provisions of the bill take effect at the beginning of the first pay period after 30 June 1956. The Senate bill, in addition to executive pay, provided a series of miscellaneous authorizations and included an entirely new Retirement bill.

12. Senate and House conferees agreed on a version of H.R. 7619, which was passed by both Houses and will undoubtedly be signed by the President. The conferees accepted the Senate version of the executive pay bill insofar as the DCI and DDCI positions and salaries are concerned. The only change in the categories above and including these positions is a provision immediately following the placement of the salary of the Director of the FBI at \$21,000, which states as follows: "Notwithstanding the provisions of subsection (a), the annual rate of basic compensation of the Director of the Federal Bureau of Investigation shall be \$22,000 so long as such office is held by the present incumbent." In previous years, Mr. Hoover's rank and salary has been handled through annual riders to appropriations bills.



Norman S. Paul
Legislative Counsel

STAT

cc: DDCI

~~CONFIDENTIAL~~

TAB

COPY

July 13, 1955

The Honorable
The Director of the Bureau of the Budget
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Hughes:

On 29 June the Hoover Commission submitted to the Congress its report on the intelligence activities of the Federal Government. One of the recommendations of the Commission, and of its Task Force headed by General Mark Clark, concerned the salaries of senior officials of the Central Intelligence Agency. The Commission recommended that, in view of the added responsibilities placed on the CIA positions, the salary of the Director be increased to the equivalent of the pay of the Deputy Secretary of Defense, and that the salary of the Deputy Director of Central Intelligence be increased to that of Under Secretaries in the Executive Departments. The Commission also recommended that operating directors of areas of responsibility in intelligence be provided with proportionate salaries.

The salary of the Director of Central Intelligence is presently \$16,000, as established by Section 4 of the Executive Pay Act of 1949. The salary of the Deputy Director of Central Intelligence was established at \$14,000 by Section 6(a) of the same Act, and it was subsequently raised to \$14,800. The salaries of all other officials of the Agency are established administratively in accordance with the General Schedules set forth in the Classification Act of 1949, as amended. In furtherance of the Hoover Commission recommendations, and after comparison with equivalent responsibilities in other Departments of the Government, it would also seem appropriate to establish statutory positions for six "principal assistants to the Director" with basic compensation equivalent to Assistant Secretaries in the Executive Departments.

I concur wholeheartedly in the recommendations of the Hoover Commission with regard to this matter and request that they be carefully considered in connection with proposals to amend the Executive Pay Act of 1949 which I understand are now under consideration.

Sincerely,

(Signed)

Allen W. Dulles
Director

cc - Mr. Philip Young
Chairman, Civil Service Commission

COPY

TAB

\$20,500 salaries for officials including the vice president of Export-Import Bank, the deputy director of Federal Civil Defense, the chairman of the Maritime Board and the deputy director of United States Information.

\$20,000 salaries for 149 officials such as the assistant secretaries, the members of most boards and commissions, and the commissioner of Immigration & Naturalization Service, the director of the aeronautical research branch of the National Advisory Committee for Aeronautics among others.

\$17,500 salaries for 33 officials such as the commissioner of Social Security, the director of the Bureau of Prisons, and commissioners of the Court of Claims.

\$27,500 top salaries would be paid to the chiefs of missions under the Foreign Service. The chiefs now have a salary range from \$15,000 to \$25,000 and it would be lifted to \$20,000 to \$27,500.

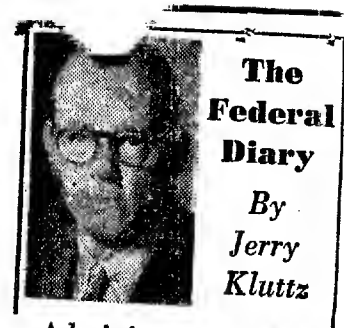
\$1000 annual increases for the dozen top officials in VA's Department of Medicine & Surgery. The chief medical director would be raised from \$16,800 to \$17,800; the deputy from \$15,800 to \$16,800, and the eight assistants from \$14,800 to \$15,800.

The \$14,800 ceiling on classified, postal and other Federal salaries would be lifted to a maximum of \$17,500.

GS 18 now pays a flat \$14,800. The Administration wants it raised to a \$16,000 to \$17,500 salary range. Also, a fifth step, at \$14,835, would be added to GS 17. There would be no other changes in the classified and postal service.

Ten days ago, before the conferences with congressional leaders, the President approved a plan to boost Cabinet members to \$30,000 and the classified and postal ceiling to a maximum of \$20,000. Undersecretaries would have been paid \$25,000 and \$22,500 salaries would have been paid heads of major agencies such as VA and Internal Revenue.

The last executive pay bill was approved in 1949. The executives are the only group in Government whose salaries have not been raised in recent years. The Hoover Commission and the National Civil Service League have indorsed higher executive salaries.



Administration Asks \$1000-\$5000 Raises For Top Executives

The Administration asked Congress yesterday to vote pay raises from \$1000 to \$5000 a year for 237 high-ranking Federal executives.

The plan, which would cost \$2,357,360 annually, has the indorsement of President Eisenhower who last week urged his congressional leaders to approve the increase at this session of Congress.

After a week of conferences with congressional leaders, the Administration agreed to reduce the scale of increases proposed for the executives. As revised downward, the plan recommends:

\$25,000 salaries for the 10 Cabinet members and the director of the Budget Bureau. Cabinet members are paid \$22,500 each and the Budget director \$17,500.

\$22,500 salaries for the State and Defense undersecretaries, and two members of the President's staff which would be Sherman Adams and Bernard M. Shanley.

\$22,000 for 7 officials including the secretaries of the Army, Navy and Air Force, the director of the FBI, and three other White House assistants.

\$21,000 salaries for 14 officials including the heads of Small Business, United States Information and Federal Civil Defense, the governor of Farm Credit and the chairman of the Renegotiation Board.

Bied

MANTZ, ELMER L. On Monday, July 18, 1955, at George Washington Hospital, ELMER L. MANTZ, formerly of 3716 Warren st., nw. Beloved husband of Maude L. Mantz, father of Mrs. John C. Merwin, and Charles E. Mantz, grandfather of Robert L. and Ronald L. Mantz. Friends may call at the Lee Funeral Home, 4th st. & Mass. ave. ne. where services will be held on Thursday, July 21, at 2:30 p. m. Interment Cedar Hill Cemetery.

IARCUM, HELEN, of 210 F st. nw., on July 15, 1955, wife of William A. Marcum, daughter of Mrs. Josephine Marcum, sister of Richard Ashcraft. Remains resting at Chambers Funeral Home, 517 11th st. se., until Wednesday, July 20, at 10:30 a. m. Services and interment Arlington National Cemetery at 11 a. m.

MASTIN, NELLIE R. On Saturday, July 16, 1955, at her residence, 2502 3d st. ne. NELLIE R. MASTIN, beloved wife of John E. Mastin, foster mother of Mrs. Mary Joy Melvin, sister of Daniel I. Lane, stepdaughter of the Rev. Joseph Fealy. Friends may call at the Lee Funeral Home, 4th st. & Massachusetts ave. ne. where prayers will be offered on Tuesday, July 19, at 10 a. m. Interment Fort Lincoln Cemetery.

McGINNISS, MAUDE VIRGINIA (nee Settle). On Monday, July 18, 1955, at her residence, 4708 Fort Totten dr. ne., MAUDE VIRGINIA McGINNIS (nee Settle), beloved wife of the late Allen T. McGinniss, sister of Mrs. Mary E. McGinniss, Neal H. and Fred G. Settle. She is also survived by several nieces and nephews. Services at the S. B. Hines Co. Funeral Home, 2901 14th st. nw., on Wednesday, July 20, at 2 p. m. Interment Cedar Hill Cemetery.

MOSES, MICHAEL J., of 801 Montgomery ave., N. Chevy Chase, Md., on July 18, 1955, beloved husband of Mary Moses, father of Michael, Doreen and Yasmine Moses; brother of Misses Mary, Sophia and Mabel Moses; Albert, Samuel and John Moses. Friends at Chambers Funeral Home, 1400 Chapin st. nw., on Thursday, July 21, at 12 noon. Services at Saint Constantine and Helene Greek Orthodox Church, 4115 16th st. nw., at 12:30 p. m. Interment Parklawn Cemetery.

MUNSON, GEORGE J. SR., of 1701 F st. ne., on July 17, 1955, husband of Maude E. Munson, father of George J. Jr. and Robert H. Munson, son of Louis W. Munson, brother of Walter F. Munson, Mrs. MacFarlane. Services at Chambers Funeral Home, 517 11th st. se., on Thursday, July 21, at 1 p. m. Interment Arlington National Cemetery.

NORTON, GRACE A. On Monday, July 18, 1955, at Garfield Memorial Hospital, GRACE A. NORTON, of 412 Nicholson st. nw., wife of the late Leonard C. Norton, and beloved grandmother of Daniel E. and Karen L. Bradley. Remains resting at Hyson's Funeral Home, 1300 N. st. nw., where services will be held on Wednesday, July 20, at 10:30 a. m. Friends are invited to attend. Interment Mt. Olivet Cemetery.

PILLSBURY, BRIG. GEN. HENRY C. U. S. Army (MC) (ret.). On Monday, July 18, 1955, at Ross, Calif. BRIG. GEN. HENRY C. PILLSBURY, U. S. Army (MC) (ret.), husband of the late Janet Wood, Pillsbury, brother of Miss Mary B. Pillsbury, Dorset, Vt., Dr. Boyden Pillsbury, Lowell, Mass., and the late Brig. Gen. George B. Pillsbury. Services will be held at St. Paul's Episcopal Church, 2436 K st. nw., Thursday, July 21, at 12 noon. Interment Arlington National Cemetery. Full military honors.

On Sunday, July 17, 1955, home of her daughter, Mrs. M. Koch of 120 Schuyler rd., Silver Spring, Md. MARY B. PIPER, wife of Alexander A. Piper of Winston-Salem, N. C., mother of Mrs. E. James Koch and sister of Mrs. Marlon B. Laynor. Paul W. Bounds and Miss Hester A. Bounds. Mrs. Piper rests at the Warner E. Pumphrey Funeral Home, 8434 Georgia ave. Silver Spring, Md., where service will be held on Wednesday, July 20 at 10 a. m. Interment Parklawn Cemetery. (Winston-Salem, Asheville, N. C., Knoxville, Tenn. and Salisbury, Md., papers please copy.)

PIVER, HARRY On Monday, July 18, HARRY PIVER of 1423 Meridian pl. nw., beloved husband of Sonia Bard Piver and devoted father of Mrs. Frances Wichin, Dr. Julius Samuel Piver and Morris Piver. Funeral services at the Bernard Danzansky & Son Funeral Home, 3501 14th st. nw., on Wednesday, July 20, at 1:30 p. m.

REESE, MAJ. THOMAS J. On Wednesday, June 29, 1955, at Clark Air Field, Manila, Philippine Islands, MAJ. THOMAS J. REESE, beloved husband of Loretta Riley Reese of Washington, D. C., son of Mrs. Martha Bonser, brother of George Reese, both of Philadelphia. Friends may call at the Lee Funeral Home, 4th st. & Massachusetts ave. ne., after 4 p. m. Sunday, July 17, until 9:15 a. m. Wednesday, July 20. Services will be held at Fort Myer Chapel at 10 a. m. Interment Arlington National Cemetery.

REDD, GEORGE W., of 505 Tennessee ave. ne., on July 18, 1955, father of Mrs. Beatrice Backing and grandfather of Kathleen Richardson. Also survived by seven other grandchildren. Services at the above residence on Thursday, July 21, at 11 a. m. Interment Rock Creek Cemetery. Services by Chambers.

STEVENS, LOUISE WILTON On Saturday, July 16, 1955, at the National Naval Medical Center, LOUISE WILTON STEVENS of 4624 South Chelsea lane, Bethesda, Md., beloved wife of Comdr. Ernest M. Stevens, USN (ret.), mother of Emily E. and Ernest E. Stevens Jr. and sister of Ralph W. E. Craig, John S. and Logan O. Wilton. Friends are invited to call at the Bethesda-Chevy Chase Funeral Home of Robome A. Pumphrey, Bethesda, Md. Services Tuesday, July 19, at St. John's Episcopal Church, Bradley lane and Wisconsin ave., Bethesda, Md., at 2 p. m. Interment Arlington National Cemetery.

THORMAN, RICHARD, of 915 20th st. S. Arlington, Va., on July 17, 1955, husband of Pearl Thorman, father of Shirley Ann and Pearl E. Thorman, Ella M. Hoffman and Lillian A. Rowzee; brother of Jennie Owens. Services at Chambers Funeral Home, 3072 M. st. p. m., on Wednesday, July 20, at 10 a. m. Interment Washington National Cemetery.

TREVEY, LUCIE BOTTLEMAY On Saturday, July 16, 1955, at Suburban Hospital, LUCIE BOTTLEMAY TREVEY, beloved wife of Alvin Trevey, West Diamond ave., Gaithersburg, Md., mother of Malcolm Trevey of Washington, D. C., sister of Mrs. Mattie Fox of Washington, D. C., and Mrs. Walter Reinhart of Gaithersburg, Md. Mrs. Trevey rests at Gartner's Funeral Home, Gaithersburg, Md., where funeral services will be held Tuesday, July 19, at 11 a. m. Interment Forest Oak Cemetery.

VAUGHAN, DUDLEY J. SR. On Sunday, July 17, 1955, at Garfield Hospital, DUDLEY J. VAUGHAN SR., of 6511 Piney Branch rd. nw., husband of Charlotte B. Vaughan, father of Dudley J. Vaughan Jr., Donald T. and George F. Vaughan, James R. Russ, Mrs. Ronald E. Fugwell, Robert M. and Richard W. Keefe and brother of George J. Vaughan and the late, James Frederick Vaughan. Mr. Vaughan rests at the Warner E. Pumphrey Funeral Home, 8434 Georgia ave., Silver Spring, Md. Mass will be offered for the repose of his soul on Thursday, July 21, at 9 a. m. at St. Joseph's Catholic Church, 2d and C sts. ne. Interment Mount Olivet Cemetery.

VAUGHAN, JAMES FREDERICK On Monday, July 18, 1955, at Casualty Hospital, JAMES FREDERICK VAUGHAN of 630 East Capitol st. nw., brother of George J. Vaughan and the late Dudley J. Vaughan Sr., Mr. Vaughan rests at the Warner E. Pumphrey Funeral Home, 8434 Georgia ave., Silver Spring, Md. Mass will be offered for the repose of his soul Thursday, July 21, at 9 a. m. at St. Joseph's Catholic Church, 2d and C sts. ne.

TAB

CATEGORY I

Cabinet and
Director, Bureau of the Budget \$25,000

CATEGORY II

Deputy Secretary of Defense and
Under Secretary of State 22,500

Secretaries of Air, Army and Navy, and
Director, Federal Bureau of Investigation 22,500

CATEGORY III

Under Secretary of other Executive Departments
Deputy Postmaster General
Director, Veterans Administration
Administrator, Government Services Administration
Director, House and Home Finance
Director, I.C.A.
Comptroller General 21,000

CATEGORY IV

Deputy Director, Bureau of the Budget
Deputy Director, Veterans Administration
* Director of Central Intelligence
Director, Federal Mediation Council
Chairman, Civil Service Commission
Council of Economic Advisors
Governor, Federal Reserve Board
Board of Federal Deposit Insurance,
including the Comptroller
Each Deputy Under Secretary of Executive Departments 20,500

Assistant Secretaries and members of
independent Boards and Commissions 15,000 to 20,000

Federal Security Administrator, Deputy Under
Secretary of State, and each Assistant Attorney General 20,000

* Although the Deputy Director of Central Intelligence was not specifically mentioned in this particular letter, in an earlier communication his salary was set at \$17,500.

Ceiling on GS-18 to be raised from \$14,800 to \$17,500

TAB

FOR THE SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE
STATEMENT WITH REFERENCE TO THE POSITION OF THE
DIRECTOR OF CENTRAL INTELLIGENCE IN THE EXECUTIVE PAY BILL

Attention is called to the recommendations made by the Clark Task Force of the Hoover Commission in this respect. Recommendation 5 of the Commission Report on Intelligence Activities, page 14, states:

"That the Executive Pay Bill of 1949 be amended to increase the annual salary of the Director of Central Intelligence to the equivalent of the pay of the Deputy Secretary of Defense; to bring the compensation of the Deputy Director of Central Intelligence up to \$77,500, the same as that of most under secretaries of the executive branch; and to provide operating directors of areas of responsibility in intelligence with proportionate salaries."

The Director of Central Intelligence, by statute, is not only the head of the Central Intelligence Agency, but he also has important functions with respect to the coordination of intelligence activities of the United States Government. He is the principal officer of the United States in dealing with the chiefs of all foreign intelligence services, which operate on a very high governmental level. The activities for which he is responsible in all areas outside of the United States are of a comparable nature to the duties domestically of the Director of the Federal Bureau of Investigation who is in category II. He sits on the Operations Coordinating Board together with the Deputy Secretary of Defense and the Under Secretary of State, both in category II. The Director of Central Intelligence is an advisor to the National Security Council and reports regularly to that body.

TAB

Union Calendar No. 489

84TH CONGRESS
1ST SESSION

H. R. 7619

[Report No. 1474]

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 1955

Mr. MURRAY of Tennessee introduced the following bill; which was referred
to the Committee on Post Office and Civil Service

JULY 27, 1955

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To adjust the rates of compensation of the heads of the executive
departments and of certain other officials of the Federal
Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Federal Executives Pay
4 Act of 1955".

5 **TITLE I—BASIC COMPENSATION FOR HEADS OF**
6 **EXECUTIVE DEPARTMENTS AND OTHER FED-**
7 **ERAL OFFICIALS**

8 SEC. 101. The annual rate of basic compensation of the
9 head of each executive department and of the Secretary of
10 Defense shall be \$25,000.

I

1 SEC. 102. The annual rate of basic compensation of
2 the Deputy Secretary of Defense, of the Under Secretary
3 of State, of the Director, Office of Defense Mobilization,
4 of the Comptroller General of the United States, and of the
5 Director of the Bureau of the Budget shall be \$22,500.

6 SEC. 103. The annual rate of basic compensation of the
7 Secretary of the Army, of the Secretary of the Navy, of
8 the Secretary of the Air Force, of the Director of the
9 Federal Bureau of Investigation, Department of Justice,
10 and of the Director of Central Intelligence shall be \$22,000.

11 SEC. 104. Section 105 of title 3 of the United States
12 Code is amended to read as follows:

13 "COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMIN-
14 ISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

15 "§ 105. The President is authorized to fix the compensa-
16 tion of the six administrative assistants authorized to be
17 appointed under section 106 of this title, of the Executive
18 Secretary of the National Security Council, and of five
19 other secretaries or other immediate staff assistants in the
20 White House Office, as follows: Two at rates not exceeding
21 \$22,500 per annum, three at rates not exceeding \$21,000
22 per annum, and seven at rates not exceeding \$19,000 per
23 annum."

24 SEC. 105. The annual rate of basic compensation for each

3

1 of the offices or positions listed in this section shall be
2 \$21,000, as follows:

3 (1) Each Under Secretary of an executive department
4 (other than the Department of State) ;

5 (2) The Deputy Postmaster General;

6 (3) The Administrator of Veterans' Affairs;

7 (4) The Administrator of General Services;

8 (5) The Administrator of the Housing and Home
9 Finance Agency;

10 (6) The Director of the International Cooperation
11 Administration;

12 (7) The Deputy Director of the Office of Defense
13 Mobilization;

14 (8) The Administrator of the Federal Civil Defense
15 Administration;

16 (9) The Chairman of the Renegotiation Board;

17 (10) The Director of the United States Information
18 Agency;

19 (11) The President of the Export-Import Bank of
20 Washington;

21 (12) The Governor of the Farm Credit Administration;

22 (13) The Chairman of the Council of Economic Ad-
23 visors;

24 (14) The Associate Director of the Federal Bureau of
25 Investigation, Department of Justice.

1 SEC. 106. The annual rate of basic compensation for
2 each of the offices or positions listed in this section shall be
3 \$20,000, as follows:

4 (1) The Assistant Comptroller General of the United
5 States;

6 (2) The Deputy Director of the Bureau of the Budget;

7 (3) The Under Secretary of the Army;

8 (4) The Under Secretary of the Navy;

9 (5) The Under Secretary of the Air Force;

10 (6) The Deputy Administrator of Veterans' Affairs;

11 (7) The Director of the Federal Mediation and Con-
12 ciliation Service;

13 (8) The Chairman of the United States Civil Service
14 Commission;

15 (9) Each member (other than the Chairman) of the
16 Council of Economic Advisors;

17 (10) Each member of the Board of Governors of the
18 Federal Reserve System;

19 (11) Each member of the Board of Directors of the
20 Federal Deposit Insurance Corporation;

21 (12) The Comptroller of the Currency;

22 (13) Each Deputy Under Secretary of the Department
23 of State;

24 (14) The First Vice President of the Export-Import
25 Bank of Washington;

1 (15) The Chairman of the Federal Maritime Board, De-
2 partment of Commerce;

3 (16) The Deputy Director of the United States In-
4 formation Agency;

5 (17) The Deputy Administrator of the Federal Civil
6 Defense Administration;

7 (18) The Deputy Director of the International Coopera-
8 tion Administration;

9 (19) The Deputy Director of Central Intelligence.

10 SEC. 107. (a) The annual rate of basic compensation
11 for each of the offices or positions listed in this section shall
12 be \$19,000, as follows:

13 (1) The Assistant to the Director of the Federal Bureau
14 of Investigation, Department of Justice;

15 (2) Each Assistant Secretary of an executive depart-
16 ment;

17 (3) Each Assistant Postmaster General;

18 (4) The Fiscal Assistant Secretary of the Treasury;

19 (5) The Director of the National Advisory Committee
20 for Aeronautics;

21 (6) Each member of the Civil Aeronautics Board;

22 (7) Each member of the Federal Communications
23 Commission;

24 (8) Each member of the Federal Power Commission;

25 (9) Each member of the Federal Trade Commission;

1 (10) Each member of the Interstate Commerce Com-
2 mission;

3 (11) Each member of the National Labor Relations
4 Board;

5 (12) Each member of the National Mediation Board;

6 (13) Each member of the Railroad Retirement Board;

7 (14) Each member of the Securities and Exchange
8 Commission;

9 (15) Each member of the Board of Directors of the
10 Tennessee Valley Authority;

11 (16) Each member (other than the Chairman) of the
12 United States Civil Service Commission;

13 (17) Each member of the United States Tariff Com-
14 mission;

15 (18) The General Counsel of the National Labor Re-
16 lations Board;

17 (19) The Deputy Administrator of General Services;

18 (20) The Archivist of the United States;

19 (21) The Commissioner of Internal Revenue;

20 (22) The Commissioner of Immigration and Natural-
21 ization;

22 (23) The Commissioner of Public Roads;

23 (24) The Administrator of Civil Aeronautics;

24 (25) The Administrator of the Rural Electrification
25 Administration;

- 1 (26) The Counselor of the Department of State;
- 2 (27) The Governor of Alaska;
- 3 (28) The Governor of Hawaii;
- 4 (29) The Governor of the Virgin Islands;
- 5 (30) The Governor of the Canal Zone;
- 6 (31) The Public Printer;
- 7 (32) The Librarian of Congress;
- 8 (33) The Architect of the Capitol;
- 9 (34) The President of the Federal National Mortgage
10 Association, Housing and Home Finance Agency;
- 11 (35) The Deputy Administrator of the Housing and
12 Home Finance Agency;
- 13 (36) Each member of the Home Loan Bank Board,
14 Housing and Home Finance Agency;
- 15 (37) The Public Housing Commissioner, Housing and
16 Home Finance Agency;
- 17 (38) The Federal Housing Commissioner, Housing and
18 Home Finance Agency;
- 19 (39) Each Assistant Secretary of the Army;
- 20 (40) Each Assistant Secretary of the Navy;
- 21 (41) Each Assistant Secretary of the Air Force;
- 22 (42) The Special Assistant to the Secretary (Health
23 and Medical Affairs), Department of Health, Education,
24 and Welfare;

1 (43) The Chairman of the Military Liaison Committee
2 to the Atomic Energy Commission, Département of Defense;

3 (44) The Administrator, Bureau of Security and Con-
4 sular Affairs, Department of State;

5 (45) Each member of the Board of Directors of the
6 Export-Import Bank of Washington;

7 (46) Each member of the Foreign Claims Settlement
8 Commission of the United States;

9 (47) Each member (other than the Chairman) of the
10 Federal Maritime Board, Department of Commerce;

11 (48) Each Assistant Director of the Bureau of the
12 Budget;

13 (49) Each member (other than the Chairman) of the
14 Renegotiation Board;

15 (50) The Administrator, Wage and Hour and Public
16 Contracts Divisions, Department of Labor;

17 (51) The Director of the National Science Foundation;

18 (52) Each member of the Subversive Activities Con-
19 trol Board;

20 (53) The Solicitor, General Counsel, Legal Adviser,
21 or other chief legal officer of each executive department
22 (excluding the Department of Justice) ;

23 (54) The ten assistant directors, International Coop-
24 eration Administration, designated under section 1 (d) of

1 Reorganization Plan No. 7 of 1953 and section 527 (b)
2 of the Mutual Security Act of 1954, respectively;

3 (55) The Administrator of the Saint Lawrence Sea-
4 way Development Corporation;

5 (56) The Administrator of the Small Business Ad-
6 ministration.

7 (b) The first sentence of section 603 of title 28 of
8 the United States Code (relating to the annual compensa-
9 tion of the Director of the Administrative Office of the United
10 States Courts) is amended to read as follows: "The Director
11 shall receive a salary of \$19,000 a year."

12 SEC. 108. The annual rate of basic compensation for
13 each of the offices or positions listed in this section shall be
14 \$17,500, as follows:

15 (1) The Associate Director of the Federal Mediation
16 and Conciliation Service;

17 (2) The Director of Selective Service;

18 (3) Each Commissioner of the Indian Claims Commis-
19 sion;

20 (4) Each Commissioner of the United States Court
21 of Claims;

22 (5) The Assistant Architect of the Capitol;

23 (6) The Chief Assistant Librarian of Congress;

24 (7) The Deputy Public Printer.

H. R. 7619—2

1 SEC. 109. The annual rate of basic compensation for
2 each of the offices or positions listed in this section shall be
3 \$17,000, as follows:

4 (1) The Treasurer of the United States;

5 (2) The Commissioner, Federal Supply Service, Gen-
6 eral Services Administration;

7 (3) The Director of the Bureau of Prisons, Department
8 of Justice;

9 (4) The Commissioner, Public Buildings Service, Gen-
10 eral Services Administration;

11 (5) The Commissioner of Social Security, Department
12 of Health, Education, and Welfare;

13 (6) The Commissioner of Reclamation, Department
14 of the Interior;

15 (7) The Commissioner of Customs, Department of the
16 Treasury;

17 (8) The Commissioner of Narcotics, Department of the
18 Treasury;

19 (9) The Administrator, Bonneville Power Adminis-
20 tration;

21 (10) The Deputy Administrator of the Saint Lawrence
22 Seaway Development Corporation;

23 (11) The Director, Division of Slum Clearance and
24 Urban Redevelopment, Housing and Home Finance Agency;

1 (12) The Director of Housing Research, Housing and
2 Home Finance Agency;

3 (13) Each Deputy Administrator, Small Business Ad-
4 ministration.

5 SEC. 110. Except as otherwise specifically provided in
6 this title, the chairman or other head of each independent
7 board or commission in the executive branch shall receive,
8 during the period of his service as chairman or other head
9 of such board or commission, annual basic compensation at
10 a rate which is \$500 more than the annual rate of basic
11 compensation prescribed by this title for the other members
12 of such board or commission.

13 TITLE II—INCREASES IN MAXIMUM LIMITA-
14 TIONS ON BASIC COMPENSATION UNDER
15 CLASSIFICATION ACT OF 1949 AND OTHER
16 LAWS

17 SEC. 201. (a) The compensation schedule for the Gen-
18 eral Schedule contained in section 603 (b) of the Classifica-
19 tion Act of 1949, as amended, is amended by striking out:

"GS-17----- 13,975 14,190 14,405 14,620
GS-18----- 14,800"

20 and inserting in lieu thereof:

"GS-17----- 13,975 14,190 14,405 14,620 14,835
GS-18----- 16,000".

21 (b) The rates of basic compensation of officers and em-

1 ployees to whom this section applies shall be initially ad-
2 justed as follows:

3 (1) If the officer or employee is receiving basic com-
4 pensation immediately prior to the effective date of this
5 Act at a scheduled rate of grade 17 or 18 of the General
6 Schedule, he shall receive a rate of basic compensation at
7 the corresponding scheduled rate in effect on and after such
8 date;

9 (2) If the officer or employee, immediately prior to the
10 effective date of this Act, is in a position in grade 17 of the
11 General Schedule and is receiving basic compensation at a
12 rate between two scheduled rates of such grade, he shall
13 receive a rate of basic compensation at the higher of the
14 two corresponding rates in effect on and after such date;

15 (3) If the officer or employee, immediately prior to
16 the effective date of this Act, is in a position in grade 17
17 of the General Schedule and is receiving basic compensation
18 at a rate which is in excess of the maximum scheduled rate
19 of his grade as provided in this section, he shall continue to
20 receive such higher rate of basic compensation until (A) he
21 leaves such position, or (B) he is entitled to receive basic
22 compensation at a higher rate by reason of the operation
23 of the Classification Act of 1949, as amended; but when
24 such position becomes vacant, the rate of basic compensation

1 of any subsequent appointee thereto shall be fixed in accord-
 2 ance with such Act, as amended.

3 SEC. 202. The Postal Field Service Schedule in section
 4 301 (a) of the Postal Field Service Compensation Act of
 5 1955 (Public Law 68, Eighty-fourth Congress) is amended
 6 by striking out:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,800
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

7 and inserting in lieu thereof:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200		
20-----	16,000"						

7 SEC. 203. Section 3 of the Act of January 3, 1946,
 8 as amended (38 U. S. C., sec. 15b), is hereby amended as
 9 follows:

10 (1) The first paragraph of such section 3 as amended
 11 by paragraph (1) of the first section of the Act of October
 12 12, 1949 (63 Stat. 764), and the second and third para-
 13 graphs of subsection (b) of such section 3 as amended by
 14 paragraphs (3) and (4) of the first section of such Act
 15 of October 12, 1949, are hereby redesignated as subsections
 16 "(a)", "(c)", and "(d)", respectively, of section 3 of the
 17 Act of January 3, 1946;

18 (2) The last sentence of section 3 (b) is amended to
 19 read: "During the period of his service as such, the Chief
 20 Medical Director shall be paid a salary of \$17,800 a year.";

1 (3) The last sentence of section 3 (c), as redesign-
2 nated by paragraph (1) of this section, is amended to read:
3 “During the period of his service as such, the Deputy Chief
4 Medical Director shall be paid a salary of \$16,800 a year.”;
5 and

6 (4) That portion of the first sentence of section 3 (d),
7 as redesignated by paragraph (1) of this section, which
8 precedes the proviso in such sentence is amended to read:
9 “Each Assistant Chief Medical Director shall be appointed
10 by the Administrator upon the recommendation of the Chief
11 Medical Director and shall be paid a salary of \$15,800 a
12 year.”.

13 SEC. 204. (a) Subsection (c) of the first section of the
14 Act of August 1, 1947, as amended (5 U. S. C., secs. 171p,
15 230, 476, and 626t; 50 U. S. C., sec. 158), relating to
16 limitations on rates of basic compensation for research and
17 development positions requiring the services of specially
18 qualified scientific or professional personnel in the Depart-
19 ment of Defense and in the National Advisory Committee for
20 Aeronautics, is amended (1) by striking out “\$10,000” and
21 inserting in lieu thereof “\$12,500” and (2) by striking out
22 “\$15,000” and inserting in lieu thereof “\$17,500”.

23 (b) Section 208 (g) of the Public Health Service Act,
24 as amended (42 U. S. C., sec. 210 (g)), relating to limita-
25 tions on rates of basic compensation for research and develop-

15

1 ment positions requiring the services of specially qualified
2 scientific or professional personnel in the Public Health Serv-
3 ice, is amended (1) by striking out "\$10,000" and inserting
4 in lieu thereof "\$12,500" and (2) by striking out "\$15,000"
5 and inserting in lieu thereof "\$17,500".

6 (c) Section 12 of the Act of May 29, 1884, as amended
7 (62 Stat. 198; 21 U. S. C., sec. 113a), relating to the
8 maximum limitation on basic compensation for positions of
9 technical experts or scientists for research and study of foot-
10 and-mouth disease and other animal diseases, is amended by
11 striking out "\$15,000" and inserting in lieu thereof
12 "\$17,500".

13 (d) The amendments contained in subsections (a) and
14 (b) of this section shall not affect the authority of the
15 United States Civil Service Commission or the procedure for
16 fixing the pay of individual officers or employees under the
17 provisions of law amended by such subsections (a) and (b) ;
18 except that the rate of basic compensation in effect immedi-
19 ately prior to the effective date of this Act of any officer or
20 employee to whom the provisions of law amended by this
21 section apply, which is less than a basic rate of \$12,500 per
22 annum, shall be increased to such rate on such effective date.

23 TITLE III—GENERAL PROVISIONS

24 SEC. 301. The following provisions of law are hereby
25 repealed:

1 (1) The Act entitled "An Act to increase rates of
2 compensation of the heads and assistant heads of executive
3 departments and independent agencies", approved October
4 15, 1949 (Public Law 359, Eighty-first Congress; 63 Stat.
5 880), except section 2 (b), section 6 (b), section 6 (c),
6 section 6 (d), and section 9 thereof;

7 (2) That part of the paragraph under the heading
8 "Federal Bureau of Investigation" and under the subhead-
9 ing "Salaries and Expenses" contained in title II (the
10 Department of Justice Appropriation Act, 1956) of the
11 Departments of State and Justice, the Judiciary, and re-
12 lated agencies Appropriation Act, 1956 (Public Law 133,
13 Eighty-fourth Congress), which reads "*Provided, That*
14 the compensation of the Director of the Bureau shall be
15 \$20,000 per annum so long as the position is held by the
16 present incumbent"; and

17 (3) That part of the first paragraph under the head-
18 ing "National Advisory Committee for Aeronautics" con-
19 tained in title I of the Independent Offices Appropriation
20 Act, 1956 (Public Law 112, Eighty-fourth Congress),
21 which reads "one Director at not to exceed \$17,500 per
22 annum so long as the position is held by the present
23 incumbent;".

24 SEC. 302. Nothing contained in this Act shall be held
25 or considered to affect the last proviso in the paragraph un-

1 der the heading "Federal Prison System" and under the
2 subheading "Salaries and Expenses, Bureau of Prisons" con-
3 tained in title II (the Department of Justice Appropriation
4 Act, 1956) of the Departments of State and Justice, the
5 Judiciary, and related agencies Appropriation Act, 1956
6 (Public Law 133, Eighty-fourth Congress), which reads
7 "*Provided further*, That hereafter the compensation of the
8 Director of the Bureau shall be \$17,500 per annum so long
9 as the position is held by the present incumbent".

10 SEC. 303. The rate of basic compensation of any officer
11 or employee of the Federal Government which is in effect
12 immediately prior to the effective date of this Act shall
13 not be reduced by reason of the enactment of this Act.

14 SEC. 304. This Act shall take effect at the beginning
15 of the first pay period following the date of enactment of
16 this Act.

Union Calendar No. 489

84TH CONGRESS
1ST SESSION

H. R. 7619

[Report No. 1474]

A BILL

To adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes.

By Mr. MURRAY of Tennessee

JULY 26, 1955

Referred to the Committee on Post Office and Civil Service

JULY 27, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

TAB

Calendar No. 1274

84TH CONGRESS
1ST SESSION

S. 2628

[Report No. 1257]

IN THE SENATE OF THE UNITED STATES

JULY 25, 1955

Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON) (by request) introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

JULY 29, 1955

Reported by Mr. JOHNSTON of South Carolina, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—EXECUTIVE PAY ACT AMENDMENTS**

4 **OF 1955**

5 SEC. 101. This title may be cited as the “Executive
6 Pay-Act Amendments of 1955”.

7 SEC. 102. The Act of October 15, 1949 (63 Stat. 880;
8 Public Law 359, Eighty-first Congress), as amended and
9 supplemented, is amended as follows:

10 (a) Section 1 is amended to read as follows: “That

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1 the rate of basic compensation of the head of each executive
2 department, of the Secretary of Defense, and of the Director
3 of the Bureau of the Budget shall be \$25,000 per annum;
4 the rate of basic compensation of the Deputy Secretary of
5 Defense, *of the Comptroller General of the United States*,
6 and of the Under Secretary of State shall be \$22,500 per
7 annum; and the rate of basic compensation of the Secre-
8 tary of the Army, the Secretary of the Navy, the Secretary
9 of the Air Force, the Director of the Federal Bureau of
10 Investigation, the Director of Central Intelligence, and the
11 Administrator of Veterans' Affairs shall be, respectively,
12 \$22,000 per annum.

13 (b) Section 2 (a) is amended by striking out
14 "\$20,000", "\$18,000", and "\$15,000" and inserting in lieu
15 thereof "\$22,500", "\$21,000", and "\$20,000", respectively.

16 (c) Section 3 is amended to read as follows: "The rate
17 of basic compensation of each Under Secretary of an execu-
18 tive department (other than the Department of State), the
19 Deputy Postmaster General, ~~the Comptroller General of the~~
20 ~~United States~~, the Deputy Administrator of Veterans'
21 Affairs, the Administrator of General Services, the Housing
22 and Home Finance Administrator, and the Director of the
23 International Cooperation Administration shall be \$21,000
24 per annum."

25 (d) Section 4 is amended to read as follows: "The rate

1 of basic compensation of the Assistant Comptroller General
2 of the United States, the Deputy Director of the Bureau
3 of the Budget, the Deputy Administrator of Veterans'
4 ~~Affairs~~, the Federal Mediation and Conciliation Director, the
5 Chairman of the Civil Service Commission, members of the
6 Council of Economic Advisers, members of the Board of
7 Governors of the Federal Reserve System, members of the
8 Board of Directors of the Federal Deposit Insurance Cor-
9 poration (including the Comptroller of the Currency), and
10 of each Deputy Under Secretary of an executive depart-
11 ment, shall be \$20,500 per annum."

12 (e) Section 5 (a) (relating to the compensation of
13 assistant secretaries of executive departments and members
14 of most independent boards and commissions) is amended
15 (A) by striking out "\$15,000" and inserting in lieu
16 thereof "\$20,000"; (B) by striking out "Assistant Federal
17 Security ~~Administration~~ Administrator", "and the Deputy
18 Under Secretaries of State", "each Assistant Attorney Gen-
19 eral", "the Assistant Solicitor General of the United States",
20 "*the Chief of Staff of the Joint Committee on Internal*
21 *Revenue Taxation*", "*the Architect of the Capitol*", and "the
22 Philippine Alien Property Administrator, members (other
23 than the Chairman) of the Board of Directors of the Export-
24 Import Bank of Washington, members (other than the
25 Chairman) of the Board of Directors of the Reconstruction

1 Finance Corporation, members (other than the Chairman)
 2 of the United States Maritime Commission"; (C) by insert-
 3 ing "the Associate Director of the Federal Bureau of Investi-
 4 gation, the Deputy Director of Central Intelligence, the
 5 *Administrator of the Saint Lawrence Seaway Development*
 6 *Corporation, the Administrator of the Small Business*
 7 *Administration, the Director of Selective Service,"*; and
 8 (D) by inserting after the words "the Counselor of the
 9 Department of State", the following: "the Legal Adviser,
 10 Solicitor, or General Counsel of an executive department
 11 when required to be appointed by the President".

12 (f) Section 5 (b) (relating to the compensation of the
 13 Director of the Administrative Office of the United States
 14 Courts) is amended by striking out "\$15,000" and inserting
 15 in lieu thereof "\$20,000".

16 (g) Section 6 (a) is amended (A) by striking out
 17 "\$14,800" and inserting in lieu thereof "\$17,500"; and
 18 (B) by striking out "the Housing Expediter", "*the Director*
 19 *of Selective Service*", "*the Assistant Architect of the Capitol*",
 20 "members of the Displaced Persons Commission", "members
 21 of the Philippine War Damage Commission", "Governor of
 22 the Farm Credit Administration", "the Associate Director
 23 of the Federal Bureau of Investigation", and "the Deputy
 24 Director of Central Intelligence"; and (C) by inserting "*the*
 25 *Deputy Administrator of the Saint Lawrence Seaway De-*

1 *velopment Corporation, each Deputy Administrator, Small*
2 *Business Administration, and the Chief of Staff of the Joint*
3 *Committee on Internal Revenue Taxation''.*

4 SEC. 103. Except in cases where a higher rate may be
5 provided in this or any other Act, the chairman of an inde-
6 pendent board or commission, or of an independent body of
7 similar organizational type, in the executive branch, during
8 the period of his service as such, shall receive compensation
9 at a rate which is \$500 more per annum than the rate at
10 which other members of the board or commission are
11 compensated.

12 TITLE II—STATUTORY SALARY RATE AMEND-
13 MENTS OF 1955

14 SEC. 201. This title may be cited as the "Statutory
15 Salary Rate Amendments of 1955".

16 SEC. 202. Except as otherwise provided in this Act,
17 rates of basic compensation existing immediately prior to
18 the effective date of this Act, and expressly established by
19 statute or reorganization plan for positions in the executive
20 branch at rates equal to those payable immediately prior
21 to the effective date of this Act under Public Law 359,
22 Eighty-first Congress, approved October 15, 1949, are here-
23 by increased as follows: (A) \$22,500 is increased to \$25,-
24 000; (B) \$20,000 is increased to \$22,500; (C) \$18,000

1 is increased to \$22,000; (D) \$17,500 is increased to \$21,-
2 000; (E) \$16,000 is increased to \$20,500; (F) \$15,000 is
3 increased to \$20,000; and (G) \$14,800 is increased to
4 \$17,500. Such augmented rates shall be considered to be
5 the regular rates of compensation.

6 SEC. 203. Nothing in this Act shall affect rates of basic
7 compensation established under the Atomic Energy Act of
8 1954, Public Law 703, 83d Congress, approved August 30,
9 1954, or rates of basic compensation established under Public
10 Law 9, Eighty-fourth Congress, March 2, 1955.

11 SEC. 204. The compensation for each of the offices
12 established by section 1 (d) of Reorganization Plan Num-
13 bered 7 of 1953, effective August 1, 1953 (67 Stat. 639)
14 shall be established by the Secretary of State at a rate not
15 less than that of Assistant Secretaries of State nor more than
16 that of Deputy Under Secretaries of State.

17 SEC. 205. Section 2 of Public Law 565, Seventy-ninth
18 Congress, approved July 30, 1946 (60 Stat. 712), is
19 amended by striking out "\$12,000" and inserting in lieu
20 thereof "\$15,000".

21 SEC. 206. Section 527 (b) of the Mutual Security Act
22 of 1954, approved August 26, 1954 (Public Law 665,
23 Eighty-third Congress (68 Stat. 832)) is amended by
24 striking out "\$15,000 per annum" and inserting in lieu
25 thereof "the salary rate for Assistant Secretaries of State".

1 TITLE III—CLASSIFICATION ACT AMENDMENTS
2 OF 1955


3 SEC. 301. This title may be cited as the "Classifica-
4 tion Act Amendments of 1955".

5 SEC. 302. (a) The compensation schedule for the Gen-
6 eral Schedule contained in section 603 (b) of the Classi-
7 fication Act of 1949, as amended, is amended by striking
8 out:

"GS-17----- 13,975 14,190 14,405 14,620
GS-18----- 14,800"

9 and inserting in lieu thereof the following:

"GS-17----- 13,975 14,190 14,405 14,620 14,835
GS-18----- 16,000 16,500 17,000 17,500"



10 (b) The rates of basic compensation of officers and
11 employees to whom this section applies shall be initially
12 adjusted as follows:

13 (1) If the officer or employee is receiving basic com-
14 pensation immediately prior to the effective date of this
15 Act at a scheduled rate of grade 17 or 18 of the General
16 Schedule, he shall receive a rate of basic compensation at
17 the corresponding scheduled rate in effect on and after such
18 date;

19 (2) If the officer or employee, immediately prior to
20 the effective date of this section, is in a position in grade 17
21 of the General Schedule and is receiving basic compensation
22 at a rate between two scheduled rates of such grade, he

1 shall receive a rate of basic compensation at the higher of
2 the two corresponding rates in effect on and after such date;
3 (3) If the officer or employee, immediately prior to
4 the effective date of this section, is in a position in grade
5 17 of the General Schedule and is receiving basic compen-
6 sation at a rate which is in excess of the maximum scheduled
7 rate of his grade as provided in this section, he shall continue
8 to receive such higher rate of basic compensation until (i)
9 he leaves such position, or (ii) he is entitled to receive
10 basic compensation at a higher rate by reason of the opera-
11 tion of the Classification Act of 1949, as amended; but when
12 such position becomes vacant, the rate of basic compensation
13 of any subsequent appointee thereto shall be fixed in accord-
14 ance with such Act, as amended.

15 TITLE IV—FOREIGN SERVICE ACT AMENDMENTS
16 OF 1955

17 SEC. 401. This title may be cited as the "Foreign Service
18 Act Amendments of 1955".

19 SEC. 402. Section 411 of the Foreign Service Act of
20 1946 (60 Stat. 999), as amended, is amended to read as
21 follows:

22 "SEC. 411. The President shall for salary purposes
23 classify into four classes the positions which are to be occu-
24 pied by chiefs of mission. The per annum salaries of chiefs

1 of mission within each class shall be as follows: Class 1,
2 \$27,500 per annum; class 2, \$25,000; class 3, \$22,500; and
3 class 4, \$20,000."

4 SEC. 403. Section 412 of such Act, as amended, is
5 amended in the following respects: (a) by deleting in the
6 second sentence of said section, "\$14,800", and inserting
7 in lieu thereof, "\$17,500", and (b) by deleting the reference
8 to classes 1 and 2 and the salary rates provided for such
9 classes and inserting in lieu thereof the following: "Class
10 1, \$14,500, \$15,000, \$15,500, \$16,000, \$16,500; class 2,
11 \$12,000, \$12,400, \$12,800, \$13,200, \$13,600, \$14,000;".

12 SEC. 404. Under such regulations as the Secretary of
13 State shall prescribe, each Foreign Service officer in the
14 class of career minister or in classes 1 or 2 and each Foreign
15 Service Reserve officer receiving salary set at one of the
16 rates provided for classes 1 or 2 shall receive salary at that
17 one of the salary rates prescribed by section 412, as amended,
18 which the Secretary shall consider it appropriate for such
19 officer to receive.

20 TITLE V—POSTAL FIELD SERVICE AMENDMENTS

21 OF 1955

22 SEC. 501. This title may be cited as the "Postal Field
23 Service Amendments of 1955".

24 SEC. 502. The Postal Field Service Schedule in section

- 1 301 (a) of the Act of June 10, 1955 (Public Law 68, 84th
2 Congress) is amended by striking the following portion:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

- 3 and inserting in lieu thereof the following:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200	15,500	15,800
20-----	16,000	16,300	16,600	16,900	17,200	17,500	-----"]
20-----	16,000	16,300	16,600	16,900	17,200	-----	-----"

4 TITLE VI—VETERANS' ADMINISTRATION MEDI-
5 CINE AND SURGERY AMENDMENTS OF 1955

6 SEC. 601. This title may be cited as the "Veterans' Ad-
7 ministration Medicine and Surgery Amendments of 1955".

8 SEC. 602. Section 3 of the Act of January 3, 1946, as
9 amended, (38 U. S. C. 15b) is hereby amended as follows:

10 (a) The last sentence of section 3 (b) is amended to
11 read: "During the period of his service as such, the Chief
12 Medical Director shall be paid a salary of \$17,800 a year."

13 (b) The last sentence of section 3 (c) is amended to
14 read: "During the period of his service as such, the Deputy
15 Chief Medical Director shall be paid a salary of \$16,800
16 a year."

17 (c) That portion of section 3 (d) which precedes the
18 proviso is amended to read: "Each Assistant Chief Medical
19 Director shall be appointed by the Administrator upon the
20 recommendation of the Chief Medical Director and shall be
21 paid a salary of \$15,800."

1 TITLE VII—RESEARCH AND DEVELOPMENT

2 SALARY AMENDMENTS OF 1955

3 SEC. 701. This title may be cited as the “Research and
4 Development Salary Amendments of 1955”.

5 SEC. 702. Sections 171p, 230, 476, 626t of title 5 of the
6 United States Code, section 158 of title 50 of the United
7 States Code, and section 210 (g) of title 42 of the United
8 States Code (relating to salary limitations on research and
9 development positions requiring the services of specially
10 qualified scientific or professional personnel in the Depart-
11 ment of Defense, the National Advisory Committee for
12 Aeronautics, and the United States Public Health Service,
13 respectively) are amended by striking out “\$10,000” and
14 “\$15,000” and inserting in lieu thereof “\$12,500” and
15 “\$17,500”, respectively.

16 SEC. 703. The salary amendments contained in section
17 702 shall not affect the authority of the Civil Service Com-
18 mission or the procedure for fixing the pay of individual offi-
19 cers or employees under the statutes therein amended; except
20 that the existing rate of basic compensation of any officer or
21 employee to whom this title applies which is less than a rate
22 of \$12,500 per annum shall be increased to such rate on the
23 effective date of this title.

24 SEC. 704. Section 113a of title 21 of the United States
25 Code (relating to salary limitation on technical experts or

1 scientists for research and study of foot-and-mouth disease and
2 other animal diseases) is hereby amended by striking out
3 “\$15,000” and inserting in lieu thereof “\$17,500”.

4 TITLE VIII—EFFECTIVE DATE

5 SEC. 801. This Act shall take effect at the beginning of
6 the first pay period following the date of enactment of this
7 Act.

Calendar No. 1274

84TH CONGRESS
1ST Session

S. 2628

[Report No. 1257]

A BILL

To increase rates of compensation of the heads
and assistant heads of executive departments
and independent agencies, and for other
purposes.

By Mr. JOHNSTON of South Carolina and Mr.
CARSON

JULY 25, 1955
Read twice and referred to the Committee on Post
Office and Civil Service
JULY 29, 1955
Reported with amendments

TAB

C
O
P
Y

3 December 1955

Honorable Philip Young
Chairman
United States Civil Service Commission
Washington 25, D. C.

Dear Mr. Young:

As the proposed Executive Pay Act of 1955 will be pending before the Congress when it reconvenes, I believe it important to set forth my view of the proper place of this Agency in that legislation for incorporation in any further action the Administration may take at that time.

As passed by the House, Section 103 of H.R. 7619 provides compensation for the Director of Central Intelligence at an annual rate equivalent to that to be provided for the Secretaries of the military departments and the Director of the Federal Bureau of Investigation. Under Section 106 of H.R. 7619, the annual rate of compensation for the Deputy Director of Central Intelligence is placed at the level of that provided for the Under Secretaries of the military departments, the Deputy Under Secretaries of the Department of State and several like positions. This places the salary of the Deputy Director one category above that to be paid Assistant Secretaries of the Executive Departments.

The Senate Committee on Post Office and Civil Service, in reporting S. 2628 to the Senate, established the rate of basic compensation of the Director of Central Intelligence in the same relative category as in H.R. 7619 (Section 102(a)). However, Section 102 (e) of S. 2628, as reported, establishes the rate of compensation of the Deputy Director of Central Intelligence at the same rate as that established for Assistant Secretaries of the Executive Departments, although the compensation of \$20,000 per annum is the same as the authorized by H.S. 7619.

I do not desire to comment on the amount of compensation that should be provided for the positions of Director and Deputy Director of Central Intelligence. I do wish to stress, however, the necessity of having these positions established at the appropriate level within the executive branch generally. Otherwise the functioning of all senior levels of the Agency is impaired by an implicit down-grading which raises obstacles to our establishing working relationships with the appropriate officials of other governmental departments.

The Director of Central Intelligence is a regular participant in the deliberations of the National Security Council and is a full member of the Operations Coordinating Board. As Director of Central Intelligence he is acting in his capacity as senior intelligence advisor to the Government in addition to his responsibility as the head of the Agency, and it is felt that the Congress recognized this distinction in the National Security Act of 1947 which established both the position and the Agency. It would, therefore, seem appropriate for the Director to be bracketed with the Deputy Secretary of Defense, the Under Secretary of State, and the senior Administrative Assistants to the President, with whom he works on completely equal terms.

Whether the rate of compensation of the position of Director of Central Intelligence is established at the level of the Deputy Secretary of Defense and the Under Secretary of State or remains as proposed in S. 2628 and H.R. 7619, the position of Deputy Director of Central Intelligence should be equated to that of the Deputy Under Secretaries of State and the Under Secretaries of the military departments, as proposed in the House version, rather than at the level of Assistant Secretaries of the executive departments, as proposed by the Senate Committee. This is essential not only from the point of view of the broad responsibilities of the Deputy Director of Central Intelligence but also because the principal operating deputies below him in the Central Intelligence Agency must deal as equals with assistant secretaries of other departments, particularly State and Defense. This de facto equality has long been recognized in the composition of interdepartmental boards such as the Planning Board of the National Security Council.

As you are undoubtedly aware, the Hoover Commission submitted its report on the intelligence activities of the Federal Government to the Congress on 29 June 1955. The Commission Task Force, headed by General Mark Clark, which was concerned with intelligence activities

carefully considered the appropriate establishment of the positions of the Director and the Deputy Director of Central Intelligence within the executive branch of the Government. It was the opinion of the Task Force that the position of Director of Central Intelligence should be equated with that of the Deputy Secretary of Defense and that the position of the Deputy Director of Central Intelligence should be equated with those of the Under Secretaries in the Executive Departments.

I therefore hope that the Administration's position on this legislation will make clear that the relative positions of the Director and Deputy Director of the Central Intelligence should be established as befits their functions and responsibilities as set forth above and, incidentally, substantiated by the Hoover Commission. I shall be happy to provide you with any further data or to discuss any aspect of this matter with you.

Sincerely,

(Signed)

Allen W. Dulles
Director

SA-DD/S:CFC:dlc (19 Oct 55)

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CONCUR:

(S)

L.K. WHITE

Deputy Director

(Support)

Oct 22 1955

TAB

December 9, 1955

Mr. Allen W. Dulles
Director
Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

I have your letter of December 3 in which you discuss the positions of Director and Deputy Director of Central Intelligence. Your recommendations are based on groupings with other positions under the Executive Pay Act rather than on salary rates.

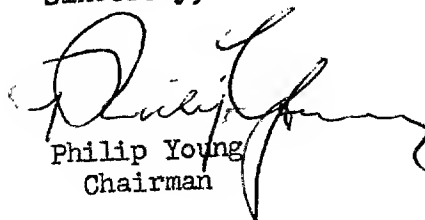
Last year the position of Director of Central Intelligence was grouped at the important stages of proposed legislation with the Director of the Federal Bureau of Investigation and the secretaries of the three military departments. This year you would like to have us consider grouping the position of Director with the Under Secretary of State, the Deputy Secretary of Defense and the top or senior Administrative Assistants to the President.

Last session the position of Deputy Director of Central Intelligence was ranked in the Administration's proposal and in S. 2628 with assistant secretaries, the Associate Director of the Federal Bureau of Investigation, and the under secretaries of the military departments (who were to receive the same pay as assistant secretaries of executive departments). In H. R. 7619 as it passed the House the relationship was somewhat different. The Deputy Director of Central Intelligence ranked with the Deputy Under Secretaries of State, the under secretaries of the military departments, and above the assistant secretary level. You suggest that the Deputy Director, regardless of salary rate, should be equated with deputy under secretaries, particularly Deputy Under Secretaries of State, and with the under secretaries of the military departments. The basic ranking idea, as I understand it, that you have in mind is to place the Deputy Director somewhat above the assistant secretary level.

- 2 -

I appreciate having your letter available when we discuss the details of an Executive Pay Act proposal for next session. We will be glad to give your ranking equations consideration at every stage. The approach you have taken makes the issues very clear.

Sincerely,

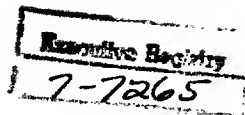


Philip Young
Chairman

TAB

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.



December 15, 1955.

My dear Mr. Dulles:

The Director has asked me to acknowledge and thank you for your letter of December 3, discussing certain problems with respect to the so-called Executive Pay bill.

It has been agreed that all matters pertaining to suggested modifications of this bill will be handled by Mr. Philip Young, in his capacity as the President's Adviser on Personnel Management. Accordingly, your letter has been transmitted to him for his consideration.

Sincerely yours,

A handwritten signature in cursive script that reads "Reges W. Jones".

Assistant Director for
Legislative Reference

Honorable Allen W. Dulles
Director of Central Intelligence
Central Intelligence Agency
Washington 25, D. C.

TAB

13 Feb. '56

Honorable Olin D. Johnston
Chairman
Committee on Post Office & Civil Service
United States Senate
Washington 25, D. C.

Dear Mr. Chairman:

Thank you for your letter of 12 January 1956, requesting the comments of this Agency on pending executive pay legislation.

It is most important that action be taken to raise executive pay scales in order to assist the Government in the recruitment and continuing employment of highly competent individuals for key posts.

I believe that the provisions of S. 2628, now before your Committee, represent a substantial advance over existing legislation governing the rates of compensation for executive positions within the Government.

Sincerely,

/Signed/

Allen W. Dulles
Director

TAB

DCI

See PP 19, 21 + 29

Calendar No. 2687

84TH CONGRESS
2D SESSION

H. R. 7619

[Report No. 2642]

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1955

Read twice and ordered to be placed on the calendar

JANUARY 5, 1956

Referred to the Committee on Post Office and Civil Service

JULY 18 (legislative day, JULY 16), 1956

Reported by Mr. JOHNSTON of South Carolina, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italics*]

AN ACT

To adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 *That this Act may be cited as the "Federal Executives Pay*
4 *Act of 1955".*

5 ~~TITLE I—BASIC COMPENSATION FOR HEADS OF~~
6 ~~EXECUTIVE DEPARTMENTS AND OTHER FED-~~
7 ~~ERAL OFFICIALS~~

8 ~~SEC. 101.~~ The annual rate of basic compensation of the
9 head of each executive department and of the Secretary of
10 Defense shall be \$25,000.

I

1 SEC. 102. The annual rate of basic compensation of
2 the Deputy Secretary of Defense, of the Under Secretary
3 of State, of the Director, Office of Defense Mobilization,
4 of the Comptroller General of the United States, and of the
5 Director of the Bureau of the Budget shall be \$22,500.

6 SEC. 103. The annual rate of basic compensation of the
7 Secretary of the Army, of the Secretary of the Navy, of
8 the Secretary of the Air Force, of the Director of the
9 Federal Bureau of Investigation, Department of Justice,
10 and of the Director of Central Intelligence shall be \$22,000.

11 SEC. 104. Section 105 of title 3 of the United States
12 Code is amended to read as follows:

13 "COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMIN-
14 ISTRATIVE, AND STAFF ASSISTANTS TO THE PRESIDENT

15 "§ 105. The President is authorized to fix the compensa-
16 tion of the six administrative assistants authorized to be
17 appointed under section 106 of this title, of the Executive
18 Secretary of the National Security Council, and of five
19 other secretaries or other immediate staff assistants in the
20 White House Office, as follows: Two at rates not exceeding
21 \$22,500 per annum, three at rates not exceeding \$21,000
22 per annum, and seven at rates not exceeding \$19,000 per
23 annum."

24 SEC. 105. The annual rate of basic compensation for each

1 of the offices or positions listed in this section shall be
2 \$21,000, as follows:

3 (1) Each Under Secretary of an executive department
4 (other than the Department of State);

5 (2) The Deputy Postmaster General;

6 (3) The Administrator of Veterans' Affairs;

7 (4) The Administrator of General Services;—

8 (5) The Administrator of the Housing and Home
9 Finance Agency;

10 (6) The Director of the International Cooperation
11 Administration;

12 (7) The Deputy Director of the Office of Defense
13 Mobilization;

14 (8) The Administrator of the Federal Civil Defense
15 Administration;

16 (9) The Chairman of the Renegotiation Board;

17 (10) The Director of the United States Information
18 Agency;

19 (11) The President of the Export-Import Bank of
20 Washington;

21 (12) The Governor of the Farm Credit Administration;

22 (13) The Chairman of the Council of Economic Ad-
23 visers;

- 1 ~~(8)~~ Each member of the Federal Power Commission;
- 2 ~~(9)~~ Each member of the Federal Trade Commission;
- 3 ~~(10)~~ Each member of the Interstate Commerce Com-
- 4 mission;
- 5 ~~(11)~~ Each member of the National Labor Relations
- 6 Board;
- 7 ~~(12)~~ Each member of the National Mediation Board;
- 8 ~~(13)~~ Each member of the Railroad Retirement Board;
- 9 ~~(14)~~ Each member of the Securities and Exchange
- 10 Commission;
- 11 ~~(15)~~ Each member of the Board of Directors of the
- 12 Tennessee Valley Authority;
- 13 ~~(16)~~ Each member (other than the Chairman) of the
- 14 United States Civil Service Commission;
- 15 ~~(17)~~ Each member of the United States Tariff Com-
- 16 mission;
- 17 ~~(18)~~ The General Counsel of the National Labor Re-
- 18 lations Board;
- 19 ~~(19)~~ The Deputy Administrator of General Services;
- 20 ~~(20)~~ The Archivist of the United States;
- 21 ~~(21)~~ The Commissioner of Internal Revenue;
- 22 ~~(22)~~ The Commissioner of Immigration and Natural
- 23 ization;
- 24 ~~(23)~~ The Commissioner of Public Roads;

- 1 ~~(24)~~ The Administrator of Civil Aeronautics;
- 2 ~~(25)~~ The Administrator of the Rural Electrification
- 3 Administration;
- 4 ~~(26)~~ The Counselor of the Department of State;
- 5 ~~(27)~~ The Governor of Alaska;
- 6 ~~(28)~~ The Governor of Hawaii;
- 7 ~~(29)~~ The Governor of the Virgin Islands;
- 8 ~~(30)~~ The Governor of the Canal Zone;
- 9 ~~(31)~~ The Public Printer;
- 10 ~~(32)~~ The Librarian of Congress;
- 11 ~~(33)~~ The Architect of the Capitol;
- 12 ~~(34)~~ The President of the Federal National Mortgage
- 13 Association, Housing and Home Finance Agency;
- 14 ~~(35)~~ The Deputy Administrator of the Housing and
- 15 Home Finance Agency;
- 16 ~~(36)~~ Each member of the Home Loan Bank Board,
- 17 Housing and Home Finance Agency;
- 18 ~~(37)~~ The Public Housing Commissioner, Housing and
- 19 Home Finance Agency;
- 20 ~~(38)~~ The Federal Housing Commissioner, Housing and
- 21 Home Finance Agency;
- 22 ~~(39)~~ Each Assistant Secretary of the Army;
- 23 ~~(40)~~ Each Assistant Secretary of the Navy;
- 24 ~~(41)~~ Each Assistant Secretary of the Air Force;

1 ~~(42)~~ The Special Assistant to the Secretary ~~(Health~~
2 and Medical Affairs; Department of Health, Education;
3 and Welfare;

4 ~~(43)~~ The Chairman of the Military Liaison Committee
5 to the Atomic Energy Commission; Department of Defense;

6 ~~(44)~~ The Administrator, Bureau of Security and Con-
7 sular Affairs, Department of State;

8 ~~(45)~~ Each member of the Board of Directors of the
9 Export-Import Bank of Washington;

10 ~~(46)~~ Each member of the Foreign Claims Settlement
11 Commission of the United States;

12 ~~(47)~~ Each member (other than the Chairman) of the
13 Federal Maritime Board, Department of Commerce;

14 ~~(48)~~ Each Assistant Director of the Bureau of the
15 Budget;

16 ~~(49)~~ Each member (other than the Chairman) of the
17 Renegotiation Board;

18 ~~(50)~~ The Administrator, Wage and Hour and Public
19 Contracts Divisions, Department of Labor;

20 ~~(51)~~ The Director of the National Science Foundation;

21 ~~(52)~~ Each member of the Subversive Activities Con-
22 trol Board;

1 ~~(53)~~ The Solicitor, General Counsel, Legal Adviser,
2 or other chief legal officer of each executive department
3 ~~(excluding the Department of Justice);~~

4 ~~(54)~~ The ten assistant directors, International Coop-
5 eration Administration, designated under section 1 ~~(d)~~ of
6 Reorganization Plan No. 7 of 1953 and section 527 ~~(b)~~
7 of the Mutual Security Act of 1954, respectively;

8 ~~(55)~~ The Administrator of the Saint Lawrence Sea-
9 way Development Corporation;

10 ~~(56)~~ The Administrator of the Small Business Ad-
11 ministration.

12 ~~(b)~~ The first sentence of section 603 of title 28 of
13 the United States Code ~~(relating to the annual compensa-~~
14 ~~tion of the Director of the Administrative Office of the United~~
15 ~~States Courts)~~ is amended to read as follows: "The Director
16 shall receive a salary of \$19,000 a year."

17 SEC. 108. The annual rate of basic compensation for
18 each of the offices or positions listed in this section shall be
19 \$17,500, as follows:

20 ~~(1)~~ The Associate Director of the Federal Mediation
21 and Conciliation Service;

H. R. 7619—2

21 compensation prescribed by this title for the other members
22 of such board or commission.

1 ~~(53)~~ The Solicitor, General Counsel, Legal Adviser,
2 or other chief legal officer of each executive department
3 ~~(excluding the Department of Justice)~~;

4 ~~(54)~~ The ten assistant directors, International Coop-
5 eration Administration, designated under section 1 ~~(d)~~ of
6 Reorganization Plan No. 7 of 1953 and section 527 ~~(b)~~
7 of the Mutual Security Act of 1954, respectively;

8 ~~(55)~~ The Administrator of the Saint Lawrence Sea-
9 way Development Corporation;

10 ~~(56)~~ The Administrator of the Small Business Ad-
11 ministration.

12 ~~(b)~~ The first sentence of section 603 of title 28 of
13 the United States Code ~~(relating to the annual compensa-~~
14 ~~tion of the Director of the Administrative Office of the United~~
15 ~~States Courts)~~ is amended to read as follows: "The Director
16 shall receive a salary of \$19,000 a year."

17 SEC. 108. The annual rate of basic compensation for
18 each of the offices or positions listed in this section shall be
19 \$17,500, as follows:

20 ~~(1)~~ The Associate Director of the Federal Mediation
21 and Conciliation Service;

1 ~~(2) The Director of Selective Service;~~

2 ~~(3) Each Commissioner of the Indian Claims Commis-~~
3 ~~sion;~~

4 ~~(4) Each Commissioner of the United States Court~~
5 ~~of Claims;~~

6 ~~(5) The Assistant Architect of the Capitol;~~

7 ~~(6) The Chief Assistant Librarian of Congress;~~

8 ~~(7) The Deputy Public Printer.~~

9 SEC. 109. The annual rate of basic compensation for
10 each of the offices or positions listed in this section shall be
11 \$17,000, as follows:

12 ~~(1) The Treasurer of the United States;~~

13 ~~(2) The Commissioner, Federal Supply Service, Gen-~~
14 ~~eral Services Administration;~~

15 ~~(3) The Director of the Bureau of Prisons, Depart-~~
16 ~~ment of Justice;~~

17 ~~(4) The Commissioner, Public Buildings Service, Gen-~~
18 ~~eral Services Administration;~~

19 ~~(5) The Commissioner of Social Security, Department~~
20 ~~of Health, Education, and Welfare;~~

21 ~~(6) The Commissioner of Reclamation, Department~~
22 ~~of the Interior;~~

1 ~~(7) The Commissioner of Customs, Department of the~~
2 ~~Treasury;~~

3 ~~(8) The Commissioner of Narcotics, Department of the~~
4 ~~Treasury;~~

5 ~~(9) The Administrator, Bonneville Power Adminis-~~
6 ~~tration;~~

7 ~~(10) The Deputy Administrator of the Saint Lawrence~~
8 ~~Seaway Development Corporation;~~

9 ~~(11) The Director, Division of Slum Clearance and~~
10 ~~Urban Redevelopment, Housing and Home Finance Agency;~~

11 ~~(12) The Director of Housing Research, Housing and~~
12 ~~Home Finance Agency;~~

13 ~~(13) Each Deputy Administrator, Small Business Ad-~~
14 ~~ministration.~~

15 Sec. 410. Except as otherwise specifically provided in
16 this title, the chairman or other head of each independent
17 board or commission in the executive branch shall receive,
18 during the period of his service as chairman or other head
19 of such board or commission, annual basic compensation at
20 a rate which is \$500 more than the annual rate of basic
21 compensation prescribed by this title for the other members
22 of such board or commission.

1 TITLE II—INCREASES IN MAXIMUM LIMITA-
2 TIONS ON BASIC COMPENSATION UNDER
3 CLASSIFICATION ACT OF 1949 AND OTHER
4 LAWS

5 SEC. 201. (a) The compensation schedule for the Gen-
6 eral Schedule contained in section 603 (b) of the Classifica-
7 tion Act of 1949, as amended, is amended by striking out:

"GS 17---- 13,975 14,190 14,405 14,620
GS 18---- 14,800"

8 and inserting in lieu thereof:

"GS 17---- 13,975 14,190 14,405 14,620 14,835
GS 18---- 16,000".

9 (b) The rates of basic compensation of officers and em-
10 ployees to whom this section applies shall be initially ad-
11 justed as follows:

12 (1) If the officer or employee is receiving basic com-
13 pensation immediately prior to the effective date of this
14 Act at a scheduled rate of grade 17 or 18 of the General
15 Schedule, he shall receive a rate of basic compensation at
16 the corresponding scheduled rate in effect on and after such
17 date;

18 (2) If the officer or employee, immediately prior to the
19 effective date of this Act, is in a position in grade 17 of the
20 General Schedule and is receiving basic compensation at a
21 rate between two scheduled rates of such grade, he shall

1 receive a rate of basic compensation at the higher of the
2 two corresponding rates in effect on and after such date;

3 ~~(3)~~ If the officer or employee, immediately prior to
4 the effective date of this Act, is in a position in grade 17
5 of the General Schedule and is receiving basic compensation
6 at a rate which is in excess of the maximum scheduled rate
7 of his grade as provided in this section, he shall continue to
8 receive such higher rate of basic compensation until ~~(A)~~ he
9 leaves such position, or ~~(B)~~ he is entitled to receive basic
10 compensation at a higher rate by reason of the operation
11 of the Classification Act of 1949, as amended; but when
12 such position becomes vacant, the rate of basic compensation
13 of any subsequent appointee thereto shall be fixed in accord-
14 ance with such Act, as amended.

15 SEC. 202. The Postal Field Service Schedule in section
16 301 ~~(a)~~ of the Postal Field Service Compensation Act of
17 1955 ~~(Public Law 68, Eighty-fourth Congress)~~ is amended
18 by striking out:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

19 and inserting in lieu thereof:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200		
20-----	16,000"						

20 SEC. 203. Section 3 of the Act of January 3, 1946

1 as amended (~~38 U. S. C., sec. 451~~), is hereby amended as
2 follows:

3 ~~(1)~~ The first paragraph of such section 3 as amended
4 by paragraph ~~(1)~~ of the first section of the Act of October
5 12, 1949 (~~63 Stat. 764~~), and the second and third para-
6 graphs of subsection ~~(b)~~ of such section 3 as amended by
7 paragraphs ~~(3)~~ and ~~(4)~~ of the first section of such Act
8 of October 12, 1949, are hereby redesignated as subsections
9 "~~(a)~~", "~~(c)~~", and "~~(d)~~", respectively, of section 3 of the
10 Act of January 3, 1946;

11 ~~(2)~~ The last sentence of section 3 ~~(b)~~ is amended to
12 read: "During the period of his service as such, the Chief
13 Medical Director shall be paid a salary of \$17,800 a year.";

14 ~~(3)~~ The last sentence of section 3 ~~(c)~~, as redesign-
15 nated by paragraph ~~(1)~~ of this section, is amended to read:
16 "During the period of his service as such, the Deputy Chief
17 Medical Director shall be paid a salary of \$16,800 a year.";
18 and

19 ~~(4)~~ That portion of the first sentence of section 3 ~~(d)~~,
20 as redesignated by paragraph ~~(1)~~ of this section, which
21 precedes the proviso in such sentence is amended to read:
22 "Each Assistant Chief Medical Director shall be appointed
23 by the Administrator upon the recommendation of the Chief
24 Medical Director and shall be paid a salary of \$15,800 a
25 year.";

1 ~~SEC. 204. (a)~~ Subsection ~~(c)~~ of the first section of the
2 Act of August 1, 1947, as amended ~~(5 U. S. C., secs. 171p,~~
3 ~~230, 476, and 626t; 50 U. S. C., sec. 158)~~; relating to
4 limitations on rates of basic compensation for research and
5 development positions requiring the services of specially
6 qualified scientific or professional personnel in the Depart-
7 ment of Defense and in the National Advisory Committee for
8 Aeronautics, is amended ~~(1)~~ by striking out "\$10,000" and
9 inserting in lieu thereof "\$12,500" and ~~(2)~~ by striking out
10 "\$15,000" and inserting in lieu thereof "\$17,500".

11 ~~(b)~~ Section 208 ~~(g)~~ of the Public Health Service Act,
12 as amended ~~(42 U. S. C., sec. 210 (g))~~; relating to limita-
13 tions on rates of basic compensation for research and develop-
14 ment positions requiring the services of specially qualified
15 scientific or professional personnel in the Public Health Serv-
16 ice, is amended ~~(1)~~ by striking out "\$10,000" and inserting
17 in lieu thereof "\$12,500" and ~~(2)~~ by striking out "\$15,000"
18 and inserting in lieu thereof "\$17,500".

19 ~~(c)~~ Section 12 of the Act of May 29, 1884, as amended
20 ~~(62 Stat. 198; 21 U. S. C., sec. 113a)~~; relating to the
21 maximum limitation on basic compensation for positions of
22 technical experts or scientists for research and study of foot-
23 and-mouth disease and other animal diseases, is amended by
24 striking out "\$15,000" and inserting in lieu thereof
25 "\$17,500".

1 ~~(d)~~ The amendments contained in subsections ~~(a)~~ and
2 ~~(b)~~ of this section shall not affect the authority of the
3 United States Civil Service Commission or the procedure for
4 fixing the pay of individual officers or employees under the
5 provisions of law amended by such subsections ~~(a)~~ and ~~(b)~~;
6 except that the rate of basic compensation in effect immedi-
7 ately prior to the effective date of this Act of any officer or
8 employee to whom the provisions of law amended by this
9 section apply, which is less than a basic rate of \$12,500 per
10 annum, shall be increased to such rate on such effective date.

11 ~~TITLE III—GENERAL PROVISIONS~~

12 ~~SEC. 301.~~ The following provisions of law are hereby
13 ~~repealed:~~

14 ~~(1)~~ The Act entitled "An Act to increase rates of
15 compensation of the heads and assistant heads of executive
16 departments and independent agencies", approved October
17 15, 1949 (Public Law 359, Eighty-first Congress; 63 Stat.
18 880), except section 2 ~~(b)~~, section 6 ~~(b)~~, section 6 ~~(c)~~,
19 section 6 ~~(d)~~, and section 9 thereof;

20 ~~(2)~~ That part of the paragraph under the heading
21 "Federal Bureau of Investigation" and under the subhead-
22 ing "Salaries and Expenses" contained in title II (the
23 Department of Justice Appropriation Act, 1956) of the
24 Departments of State and Justice, the Judiciary, and re-
25 lated agencies Appropriation Act, 1956 (Public Law 133,

1 Eighty-fourth Congress), which reads “: *Provided*, That
2 the compensation of the Director of the Bureau shall be
3 \$20,000 per annum so long as the position is held by the
4 present incumbent”; and

5 ~~(3)~~ That part of the first paragraph under the head-
6 ing “National Advisory Committee for Aeronautics” con-
7 tained in title I of the Independent Offices Appropriation
8 Act, 1956 (Public Law 412, Eighty-fourth Congress),
9 which reads “one Director at not to exceed \$17,500 per
10 annum so long as the position is held by the present
11 incumbent;”.

12 SEC. 302. Nothing contained in this Act shall be held
13 or considered to affect the last proviso in the paragraph un-
14 der the heading “Federal Prison System” and under the
15 subheading “Salaries and Expenses, Bureau of Prisons” con-
16 tained in title II (the Department of Justice Appropriation
17 Act, 1956) of the Departments of State and Justice, the
18 Judiciary, and related agencies Appropriation Act, 1956
19 (Public Law 413, Eighty-fourth Congress), which reads
20 “*Provided further*, That hereafter the compensation of the
21 Director of the Bureau shall be \$17,500 per annum so long
22 as the position is held by the present incumbent”.

23 SEC. 303. The rate of basic compensation of any officer
24 or employee of the Federal Government which is in effect

1 immediately prior to the effective date of this Act shall
2 not be reduced by reason of the enactment of this Act.

3 ~~SEC. 304.~~ This Act shall take effect at the beginning
4 of the first pay period following the date of enactment of
5 this Act.

6 *TITLE I—BASIC COMPENSATION FOR HEADS*
7 *OF EXECUTIVE DEPARTMENTS AND*
8 *OTHER FEDERAL OFFICIALS*

9 *SEC. 101. This title may be cited as "Federal Executive*
10 *Pay Act of 1956".*

11 *SEC. 102. The annual rate of basic compensation of*
12 *each of the offices or positions listed in this section shall be*
13 *\$25,000.*

14 *(1) Secretary of State.*

15 *(2) Secretary of Treasury.*

16 *(3) Secretary of Defense.*

17 *(4) Attorney General.*

18 *(5) Postmaster General.*

19 *(6) Secretary of the Interior.*

20 *(7) Secretary of Agriculture.*

21 *(8) Secretary of Commerce.*

22 *(9) Secretary of Labor.*

23 *(10) Secretary of Health, Education, and Welfare.*

24 *SEC. 103. (a) The annual rate of basic compensation*

1 of each of the offices or positions listed in this subsection shall
2 be \$22,500.

3 (1) Director, Bureau of the Budget.

4 (2) Comptroller General.

5 (3) Director, Office of Defense Mobilization.

6 (4) Under Secretary of State.

7 (5) Deputy Secretary of Defense.

8 (b) The annual rate of basic compensation of each of
9 the offices or positions listed in this subsection shall be \$22,000.

10 (1) Secretary of the Army.

11 (2) Secretary of the Navy.

12 (3) Secretary of the Air Force.

13 SEC. 104. The annual rate of basic compensation of
14 each of the offices or positions listed in this section shall be
15 \$21,000.

16 (1) Commissioner, Internal Revenue.

17 (2) Director of Central Intelligence.

18 (3) Director, Federal Bureau of Investigation.

19 (4) Administrator, Federal Civil Defense Administra-
20 tion.

21 (5) Administrator of General Services.

22 (6) Administrator of Housing and Home Finance
23 Agency.

24 (7) Administrator of Veterans' Affairs.

1 (8) *Director, International Cooperation Administration.*

2 (9) *Director, U. S. Information Agency.*

3 (10) *Governor, Farm Credit Administration.*

4 (11) *President, Export-Import Bank of Washington.*

5 (12) *Under Secretary of the Treasury.*

6 (13) *Under Secretary of the Treasury for Monetary*
7 *Affairs.*

8 (14) *Deputy Postmaster General.*

9 (15) *Under Secretary of Interior.*

10 (16) *Under Secretary of Agriculture.*

11 (17) *Under Secretary of Commerce.*

12 (18) *Under Secretary of Commerce for Transporta-*
13 *tion.*

14 (19) *Under Secretary of Labor.*

15 (20) *Under Secretary of Health, Education, and Wel-*
16 *fare.*

17 SEC. 105. *The annual rate of basic compensation of*
18 *each of the offices or positions listed in this section shall be*
19 *\$20,500.*

20 (1) *Chairman, Civil Aeronautics Board.*

21 (2) *Chairman, Civil Service Commission.*

22 (3) *Chairman, Council of Economic Advisers.*

23 (4) *Chairman, Federal Communications Commission.*

24 (5) *Chairman, Board of Directors, Federal Deposit*
25 *Insurance Corporation.*

- 1 (6) *Chairman, Federal Maritime Board.*
- 2 (7) *Chairman, Federal Power Commission.*
- 3 (8) *Chairman, Board of Governors, Federal Reserve*
- 4 *System.*
- 5 (9) *Chairman, Federal Trade Commission.*
- 6 (10) *Chairman, Foreign Claims Settlement Commis-*
- 7 *sion.*
- 8 (11) *Chairman, Home Loan Bank Board.*
- 9 (12) *Chairman, Interstate Commerce Commission.*
- 10 (13) *Chairman, National Labor Relations Board.*
- 11 (14) *Chairman, National Mediation Board.*
- 12 (15) *Chairman, Railroad Retirement Board.*
- 13 (16) *Chairman, Renegotiation Board.*
- 14 (17) *Chairman, Securities and Exchange Commission.*
- 15 (18) *Chairman, Subversive Activities Control Board.*
- 16 (19) *Chairman, Board of Directors, Tennessee Valley*
- 17 *Authority.*
- 18 (20) *Chairman, United States Tariff Commission.*
- 19 (21) *Comptroller of the Currency.*
- 20 (22) *Assistant Comptroller General.*
- 21 (23) *Deputy Administrator, Federal Civil Defense Ad-*
- 22 *ministration.*
- 23 (24) *Deputy Administrator of Veterans' Affairs.*
- 24 (25) *Deputy Director, Bureau of the Budget.*
- 25 (26) *Deputy Director, Central Intelligence Agency.*

1 (27) *Deputy Director, Office of Defense Mobilization.*

2 (28) *Deputy Director, United States Information*
3 *Agency.*

4 (29) *Deputy Under Secretary, Department of State*
5 *(3).*

6 (30) *Director, Federal Mediation and Conciliation*
7 *Service.*

8 (31) *First Vice President, Export-Import Bank of*
9 *Washington.*

10 *SEC. 106. (a) The annual rate of basic compensation of*
11 *each of the offices or positions listed in this subsection shall*
12 *be \$20,000.*

13 (1) *Administrator, Bureau of Security and Consular*
14 *Affairs, State Department.*

15 (2) *Administrator of Civil Aeronautics.*

16 (3) *Administrator, Commodity Stabilization Service.*

17 (4) *Administrator, Rural Electrification Administra-*
18 *tion.*

19 (5) *Administrator, Small Business Administration.*

20 (6) *Administrator, St. Lawrence Seaway Development*
21 *Corporation.*

22 (7) *Administrator, Wage and Hour Division, Depart-*
23 *ment of Labor.*

24 (8) *Archivist of the United States.*

25 (9) *Assistant Directors, Bureau of the Budget (2).*

23

- 1 (10) *Assistant Postmaster Generals (5).*
- 2 (11) *Assistant Secretaries of Agriculture (3).*
- 3 (12) *Assistant Secretaries of Commerce (3).*
- 4 (13) *Assistant Secretaries of Defense (9).*
- 5 (14) *Assistant Secretaries of Health, Education, and*
- 6 *Welfare (2).*
- 7 (15) *Assistant Secretaries of Interior (3).*
- 8 (16) *Assistant Secretaries of Labor (3).*
- 9 (17) *Assistant Secretaries of State (10).*
- 10 (18) *Assistant Secretaries of Treasury (3).*
- 11 (19) *Assistant Secretaries of Air Force (4).*
- 12 (20) *Assistant Secretaries of Army (4).*
- 13 (21) *Assistant Secretaries of Navy (4).*
- 14 (22) *Associate Director, Federal Bureau of Investi-*
- 15 *gation.*
- 16 (23) *Chairman, Military Liaison Committee, AEC,*
- 17 *Department of Defense.*
- 18 (24) *Commissioner, Community Facilities, Housing and*
- 19 *Home Finance Agency.*
- 20 (25) *Commissioner, Federal Housing Administration.*
- 21 (26) *Commissioner of Patents.*
- 22 (27) *Commissioner, Public Housing Administration.*
- 23 (28) *Commissioner, Urban Renewal Administration.*
- 24 (29) *Counselor of the Department of State.*

2-4

- 1 (30) Deputy Administrator, Housing and Home
- 2 Finance Agency.
- 3 (31) Deputy Administrator, General Services Admin-
- 4 istration.
- 5 ~~(32) Deputy Director, Central Intelligence Agency.~~
- 6 (33) Director, Administrative Office of the United
- 7 States Courts.
- 8 (34) Director, Bureau of Prisons.
- 9 (35) Director, National Advisory Committee for Aero-
- 10 nautics.
- 11 (36) Director, National Science Foundation.
- 12 (37) Director, Selective Service.
- 13 (38) Federal Highway Administrator.
- 14 (39) Fiscal Assistant Secretary of the Treasury.
- 15 (40) General Counsel, National Labor Relations Board.
- 16 (41) Governor of Alaska.
- 17 (42) Governor of the Canal Zone.
- 18 (43) Governor of Hawaii.
- 19 (44) Governor of Guam.
- 20 (45) Governor of the Virgin Islands.
- 21 (46) Librarian of Congress.
- 22 (47) President, Federal National Mortgage Association.
- 23 (48) Public Printer.
- 24 (49) Special Assistant to the Secretary, Department of
- 25 Health, Education, and Welfare.

25

- 1 (50) *Under Secretary of the Army.*
- 2 (51) *Under Secretary of the Navy.*
- 3 (52) *Under Secretary of the Air Force.*
- 4 (53) *Legal Adviser, solicitor, or general counsel of an*
5 *executive department (excluding Department of Justice).*
- 6 (54) *Members of boards and commissions (excluding*
7 *chairmen):*
 - 8 *Civil Aeronautics Board (4).*
 - 9 *Civil Service Commission (2).*
 - 10 *Council of Economic Advisers (2).*
 - 11 *Board of Directors, Export-Import Bank of Wash-*
12 *ington (3).*
 - 13 *Federal Communications Commission (6).*
 - 14 *Federal Deposit Insurance Corporation (1).*
 - 15 *Board of Governors of Federal Reserve System (6).*
 - 16 *Federal Maritime Board (2).*
 - 17 *Foreign Claims Settlement Commission (2).*
 - 18 *Federal Power Commission (4).*
 - 19 *Federal Trade Commission (4).*
 - 20 *Home Loan Bank Board (2).*
 - 21 *Interstate Commerce Commission (10).*
 - 22 *National Labor Relations Board (4).*
 - 23 *National Mediation Board (2).*
 - 24 *Railroad Retirement Board (2).*

1 *Renegotiation Board (4).*

2 *Securities and Exchange Commission (4).*

3 *Subversive Activities Control Board (4).*

4 *Board of Directors, Tennessee Valley Authority (2).*

5 *U. S. Tariff Commission (5).*

6 *(b) The annual rate of basic compensation of each of*
7 *the offices or positions listed in this subsection shall be*
8 *\$19,000.*

9 *(1) Commissioner, Indian Claims Commission (3).*

10 *(2) Commissioner, United States Court of Claims*
11 *(12).*

12 *SEC. 107. The annual rate of basic compensation of*
13 *each of the offices or positions listed in this section shall be*
14 *\$17,500.*

15 *(1) Administrator, Agricultural Research Service, De-*
16 *partment of Agriculture.*

17 *(2) Administrator, Bonneville Power Administration.*

18 *(3) Administrator, Farmers' Home Administration.*

19 *(4) Administrator, Soil Conservation Service, Depart-*
20 *ment of Agriculture.*

21 *(5) Assistant Director, Administrative Office of the*
22 *United States Courts.*

23 *(6) Associate Director, Federal Mediation and Con-*
24 *ciliation Service.*

25 *(7) Chief Assistant Librarian of Congress.*

27

1 (8) *Chief Forester of the Forest Service, Department*
2 *of Agriculture.*

3 (9) *Chief of Staff, Joint Committee on Internal Reve-*
4 *nue Taxation.*

5 (10) *Commissioner of Customs.*

6 (11) *Commissioner, Federal Supply Service, General*
7 *Services Administration.*

8 (12) *Commissioner of Narcotics.*

9 (13) *Commissioner of Public Buildings Service.*

10 (14) *Commissioner of Public Roads.*

11 (15) *Commissioner of Reclamation.*

12 (16) *Commissioner of Social Security.*

13 (17) *Commissioner, United States Court of Claims*
14 *(12).*

15 (18) *Deputy Administrator, Small Business Adminis-*
16 *tration (2).*

17 (19) *Deputy Adminisrator, St. Lawrence Seaway De-*
18 *velopment Corporation.*

19 (20) *Deputy Commissioner, Internal Revenue.*

20 (21) *Deputy Public Printer.*

21 (22) *First Assistant Commission of Patents.*

22 (23) *Manager, Federal Crop Insurance Corporation,*
23 *Department of Agriculture.*

24 *SEC. 108. Except as otherwise specifically provided in*
25 *this title, the chairman or other head of each independent*

1 board or commission in the executive branch shall receive,
2 during the period of his service as chairman or other head
3 of such board or commission, annual basic compensation at
4 a rate which is \$500 more than the annual rate of basic
5 compensation prescribed by this title for the other members
6 of such board or commission.

7 SEC. 109. Section 105 of title 3 of the United States
8 Code is amended to read as follows:

9 "§ 105. Compensation of secretaries and executive, adminis-
10 trative, and staff assistants to President.

11 "The President is authorized to fix the compensation
12 of the six administrative assistants authorized to be appointed
13 under section 106 of this title, of the Executive Secretary
14 of the National Security Council, and of eight other secre-
15 taries or other immediate staff assistants in the White House
16 Office, as follows: Two at rates not exceeding \$22,500 per
17 annum, three at rates not exceeding \$21,000 per annum, seven
18 at rates not exceeding \$20,000 per annum, and three at rates
19 not exceeding \$17,500 per annum."

20 SEC. 110. The annual compensation for each of the
21 offices established by section 1 (d) of Reorganization Plan
22 Numbered 7 of 1953, effective August 1, 1953 (67 Stat.
23 639) shall be established by the Secretary of State at a rate
24 not more than \$19,000.

25 SEC. 111. Section 2 of Public Law 565, Seventy-ninth

1 Congress, approved July 30, 1946 (60 Stat. 712), is
2 amended by striking out "\$12,000" and inserting in lieu
3 thereof "\$15,000".

4 SEC. 112. Section 527 (b) of the Mutual Security Act
5 of 1954, approved August 26, 1954 (Public Law 665,
6 Eighty-third Congress (68 Stat. 832)) is amended by striking
7 out "\$15,000 per annum" and inserting in lieu thereof
8 "\$19,000 per annum".

9 SEC. 113. (a) The compensation schedule for the Gen-
10 eral Schedule contained in section 603 (b) of the Classi-
11 fication Act of 1949, as amended, is amended by striking
12 out:

"GS-17-----	13,975	14,190	14,405	14,620
GS-18-----	14,800"			

13 and inserting in lieu thereof:

"GS-17-----	13,975	14,190	14,405	14,620	14,835
GS-18-----	16,000".				

14 (b) The rates of basic compensation of officers and
15 employees to whom this section applies shall be initially
16 adjusted as follows:

17 (1) If the officer or employee is receiving basic com-
18 pensation immediately prior to the effective date of this
19 Act at a scheduled rate of grade 17 or 18 of the General
20 Schedule, he shall receive a rate of basic compensation at
21 the corresponding scheduled rate in effect on and after such
22 date;

1 (2) If the officer or employee, immediately prior to the
 2 effective date of this section, is in a position in grade 17
 3 of the General Schedule and is receiving basic compensation
 4 at a rate between two scheduled rates of such grade, he
 5 shall receive a rate of basic compensation at the higher of
 6 the two corresponding rates in effect on and after such date;

7 (3) If the officer or employee, immediately prior to
 8 the effective date of this section, is in a position in grade
 9 17 of the General Schedule and is receiving basic compen-
 10 sation at a rate which is in excess of the maximum scheduled
 11 rate of his grade as provided in this section, he shall continue
 12 to receive such higher rate of basic compensation until (i)
 13 he leaves such position, or (ii) he is entitled to receive
 14 basic compensation at a higher rate by reason of the opera-
 15 tion of the Classification Act of 1949, as amended; but when
 16 such position becomes vacant, the rate of basic compensation
 17 of any subsequent appointee thereto shall be fixed in accord-
 18 ance with such Act, as amended.

19 SEC. 114. The Postal Field Service Schedule in section
 20 301 (a) of the Act of June 10, 1955 (Public Law 68, 84th
 21 Congress) is amended by striking out:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

22 and inserting in lieu thereof:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200		
20-----	16,000"						

31

1 *SEC. 115. Section 3 of the Act of January 3, 1946, as*
2 *amended (38 U. S. C. 15b), is hereby amended as follows:*

3 *(a) The last sentence of section 3 (b) is amended to*
4 *read: "During the period of his service as such, the Chief*
5 *Medical Director shall be paid a salary of \$17,800 a year."*

6 *(b) The last sentence of section 3 (c) is amended to*
7 *read: "During the period of his service as such, the Deputy*
8 *Chief Medical Director shall be paid a salary of \$16,800*
9 *a year."*

10 *(c) That portion of section 3 (d) which precedes the*
11 *proviso is amended to read: "Each Assistant Chief Medical*
12 *Director shall be appointed by the Administrator upon the*
13 *recommendation of the Chief Medical Director and shall be*
14 *paid a salary of \$15,800."*

15 *SEC. 116. (a) The first section of the Act approved*
16 *August 1, 1947 (61 Stat. 715; Public Law 313, Eightieth*
17 *Congress), as amended, relating to salary limitations on re-*
18 *search and development positions requiring the services of*
19 *specially qualified scientific or professional personnel in cer-*
20 *tain departments and agencies, is amended by striking out*
21 *"\$10,000" and "\$15,000" and inserting in lieu thereof*
22 *"\$12,500" and "\$19,000", respectively.*

23 *(b) Section 208 (g) of the Public Health Service Act,*
24 *as amended (42 U. S. C. 210 (g)), relating to salary lim-*
25 *itations on research and development positions requiring the*

1 *services of specially qualified scientific or professional per-*
2 *sonnel in the Public Health Service is amended by striking*
3 *out "\$10,000" and "\$20,000" and inserting in lieu thereof*
4 *"\$12,000" and "\$19,000", respectively.*

5 *SEC. 117. The salary amendments contained in section*
6 *116 shall not affect the authority of the Civil Service Com-*
7 *mission or the procedure for fixing the pay of individual offi-*
8 *cers or employees under the statutes therein amended; except*
9 *that the existing rate of basic compensation of any officer or*
10 *employee to whom such section applies which is less than a rate*
11 *of \$12,500 per annum shall be increased to such rate on the*
12 *effective date of this title.*

13 *SEC. 118. Section 12 of the Act of May 29, 1884, as*
14 *amended (21 U. S. C. 113a), relating to salary limitation*
15 *on technical experts or scientists for research and study of*
16 *foot-and-mouth disease and other animal diseases, is hereby*
17 *amended by striking out "\$15,000" and inserting in lieu*
18 *thereof "\$19,000".*

19 *SEC. 119. The last paragraph under the heading "Con-*
20 *tingent Expenses of the Senate" in the Legislative Appropri-*
21 *ation Act, 1956, is amended by striking out so much thereof*
22 *as reads "the basic compensation of one employee of each*
23 *such committee may be fixed at any rate not in excess of*
24 *\$8,460 per annum" and inserting in lieu thereof "the basic*

1 compensation of two employees of each such committee may
2 be fixed at any rate not in excess of \$8,460 per annum”.

3 SEC. 120.. The gross rate of compensation of the Legis-
4 lative Counsel of the Senate shall be \$17,500 per annum.

5 SEC. 121. This title shall take effect at the beginning
6 of the first pay period commencing after June 30, 1956.

7 TITLE II—PROVISIONS RELATING TO ORGAN-
8 IZATION OF CIVIL SERVICE COMMISSION

9 SEC. 201. (a) The first section of the Act entitled “An
10 Act to regulate and improve the civil service of the United
11 States”, approved January 16, 1883, as amended (5
12 U. S. C., sec. 632), is amended by inserting immediately
13 after the first paragraph thereof a paragraph as follows:

14 “The term of office of each such Commissioner shall be
15 six years, except that (1) the terms of office of the Commis-
16 sioners holding office on the effective date of this paragraph
17 (including the term of office of an individual appointed to
18 fill any vacancy in the Commission existing on such effective
19 date) shall expire, as designated by the President, one at the
20 end of two years, one at the end of four years, and one at the
21 end of six years, after such effective date; (2) any Commis-
22 sioner appointed to fill a vacancy occurring prior to the ex-
23 piration of the term of his predecessor shall be appointed for

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1 *the remainder of such term; and (3) upon the expiration of*
2 *his term of office a Commissioner may continue to serve until*
3 *his successor is appointed and has qualified."*

4 *(b) Such first section of such Act of January 16, 1883,*
5 *is further amended by adding at the end thereof the follow-*
6 *ing paragraph:*

7 *"In addition to designating a Chairman of the Com-*
8 *mission from time to time, pursuant to section 1 of Reor-*
9 *ganization Plan Numbered 5 of 1949, the President shall*
10 *from time to time designate one of the Commissioners as*
11 *Vice Chairman of the Commission. During the absence*
12 *or disability of the Commissioner designated as Chairman,*
13 *or in the event of a vacancy in the office of such Commis-*
14 *sioner, the Commissioner designated as Vice Chairman shall*
15 *perform those functions of the Chairman which were trans-*
16 *ferred to the Chairman by the provisions of section 2 (a)*
17 *(2) to 2 (a) (6), inclusive, of such Reorganization Plan.*
18 *During the absence or disability of both the Commissioner*
19 *designated as Chairman and the Commissioner designated as*
20 *Vice Chairman, or in the event of vacancies in the offices*
21 *of both such Commissioners, the remaining Commissioner*
22 *shall perform such functions. During the absence or dis-*
23 *ability of all three Commissioners, or in the event of vacancies*
24 *in the offices of all three Commissioners, the Executive Direc-*
25 *tor shall perform such functions; but the Executive Director*

1 *shall at no time sit as a member or acting member of the*
2 *Commission."*

3 *SEC. 202. (a) This section and section 201 (b) shall*
4 *take effect on the date of enactment of this Act.*

5 *(b) Section 201 (a) shall take effect on March 1, 1957.*

6 *TITLE III—MISCELLANEOUS PROVISIONS*

7 *SEC. 301. (a) The President shall hereafter appoint,*
8 *by and with the advice and consent of the Senate, a General*
9 *Counsel of the Post Office Department, a General Counsel*
10 *of the Department of Agriculture, a General Counsel of the*
11 *Department of Health, Education, and Welfare, a General*
12 *Counsel of the Department of the Army, a General Counsel*
13 *of the Department of the Navy, and a General Counsel of*
14 *the Department of the Air Force.*

15 *(b) The existing office of Solicitor of the Post Office*
16 *Department and the existing offices of General Counsel of*
17 *the Department of Agriculture, the Department of Health,*
18 *Education, and Welfare, the Department of the Army, the*
19 *Department of the Navy, and the Department of the Air*
20 *Force, shall be abolished effective upon the appointment and*
21 *qualification of the General Counsels of such respective de-*
22 *partments provided for by subsection (a) or April 1, 1957,*
23 *whichever is earlier.*

24 *SEC. 302. Section 505 of the Classification Act of 1949,*
25 *as amended, is amended by striking out "subsections (c),*

1 (d), and (e)" in subsection (b) and inserting in lieu thereof
2 "subsections (c), (d), (e), and (f)"; and by adding at the
3 end of such section a new subsection as follows:

4 "(f) The Director of the Administrative Office of the
5 United States Courts is authorized to place a total of four
6 positions in the Administrative Office of the United States
7 Courts in grade 18 of the General Schedule. Such posi-
8 tions shall be in addition to the number of positions
9 authorized to be placed in such grade by subsection (b)."

10 SEC. 303. (a) The positions of seven Directors of Com-
11 modity Offices, Commodity Stabilization Service, Department
12 of Agriculture, shall be in grade GS-16 of the General Sched-
13 ule established by the Classification Act of 1949, as amended.
14 Such positions shall be in addition to the number of positions
15 authorized to be placed in such grade by section 505 (b) of
16 such Act.

17 (b) The positions of three Deputy Administrators of the
18 Agricultural Research Service, Department of Agriculture,
19 shall be in grade GS-18 of the General Schedule established
20 by the Classification Act of 1949, as amended. Such positions
21 shall be in addition to the number of positions authorized
22 to be placed in such grade by section 505 (b) of such Act.

23 SEC. 304. (a) Notwithstanding any other provision of
24 law, order, or regulation, the head of the Bureau of Public
25 Roads in the Department of Commerce shall be a Federal

1 *Highway Administrator appointed by the President by and*
2 *with the advice and consent of the Senate. The Administra-*
3 *tor shall receive basic compensation at the rate prescribed*
4 *by law for Assistant Secretaries of executive departments*
5 *and shall perform such duties as the Secretary of Commerce*
6 *may prescribe or as may be required by law.*

7 (b) *The term "Commissioner of Public Roads", as*
8 *used in all laws, orders, and regulations heretofore enacted,*
9 *issued, or promulgated, shall be deemed to mean "Federal*
10 *Highway Administrator" on and after the date of enactment*
11 *of this Act.*

12 (c) *Notwithstanding the provisions of subsection (b)*
13 *hereof, there shall be a Commissioner of Public Roads in*
14 *the Bureau of Public Roads who shall be appointed by the*
15 *Secretary of Commerce, and perform such duties as may*
16 *be prescribed by the Federal Highway Administrator.*

17 SEC. 305. *The paragraph under the heading "General*
18 *Provisions" under the appropriations for the Post Office De-*
19 *partment contained in chapter IV of the Supplemental Ap-*
20 *propriation Act, 1951 (64 Stat. 1050; 31 U. S. C. 695),*
21 *is amended by striking out "the receipt of revenue from*
22 *fourth-class mail service sufficient to pay the cost of such*
23 *service" and inserting "that the cost of fourth-class mail serv-*
24 *ice will not exceed by more than 10 per centum the revenues*
25 *therefrom".*

1 *TITLE IV—CIVIL SERVICE RETIREMENT*

2 *SEC. 401. The Civil Service Retirement Act of May*
3 *29, 1930, as amended, is amended to read as follows:*

4 *“DEFINITIONS*

5 *“SECTION 1. Wherever used in this Act—*

6 *“(a) The term ‘employee’ shall mean a civilian officer*
7 *or employec in or under the Government and, except for*
8 *purposes of section 2, shall mean a person to whom this Act*
9 *applies.*

10 *“(b) The term ‘Member’ shall mean the Vice President,*
11 *a United States Senator, Representative in Congress, Delegate*
12 *from a Territory, or the Resident Commissioner from Puerto*
13 *Rico, and, except for purposes of section 2, shall mean a*
14 *Member to whom this Act applies.*

15 *“(c) The term ‘congressional employee’ means an em-*
16 *ployee of the Senate or House of Representatives or of a*
17 *committee of either House, an employee of a joint committee*
18 *of the two Houses, an clected officer of the Senate or House*
19 *of Representatives who is not a Member of either House, the*
20 *Legislative Counsel of the Senate and the Legislative Coun-*
21 *sel of the House of Representatives and the employees in*
22 *their respective offices, an Official Reporter of Debates of the*
23 *Senatc and a person employed by the Official Reporters of*
24 *Debates of the Senate in connection with the performance of*
25 *their official duties, a member of the Capitol Police force, an*

1 employee of the Vice President if such employee's compen-
2 sation is disbursed by the Secretary of the Senate, and an em-
3 ployee of a Member if such employee's compensation is dis-
4 bursed by the Secretary of the Senate or the Clerk of the
5 House of Representatives.

6 “(d) The term ‘basic salary’ shall not include bonuses,
7 allowances, overtime pay, or salary, pay, or compensation
8 given in addition to the base pay of the position as fixed by
9 law or regulation: Provided, That the term ‘basic salary’
10 shall not include military pay for persons who enter upon
11 active military service after the effective date of this Act:
12 And provided further, That for employees paid on a fee
13 basis, the maximum amount of basic salary which may be
14 used shall be \$10,000 per annum. For a Member, the term
15 ‘basic salary’ shall include, from April 1, 1954, to February
16 28, 1955, the amount received as expense allowance under
17 section 601 (b) of the Legislative Reorganization Act of
18 1946, as amended, and such amount from January 3, 1953,
19 to March 31, 1954, provided deposit is made thereon as
20 provided in section 4.

21 “(e) The term ‘average salary’ shall mean the largest
22 annual rate resulting from averaging, over any period of
23 five consecutive years of creditable service, a Member's or
24 an employee's rates of basic salary in effect during such
25 period, with each rate weighted by the time it was in effect.

1 “(f) The term ‘fund’ shall mean the civil service retire-
2 ment and disability fund created by the Act of May 22,
3 1920.

4 “(g) The terms ‘disabled’ and ‘disability’ shall mean
5 totally disabled for useful and efficient service in the grade or
6 class of position last occupied by the employee or Member
7 by reason of disease or injury not due to vicious habits, in-
8 temperance, or willful misconduct on his part within the
9 five years next prior to becoming so disabled.

10 “(h) The term ‘widow’, for purposes of section 10,
11 shall mean the surviving wife of an employee or Member
12 who was married to such individual for at least two years
13 immediately preceding his death or is the mother of issue
14 by such marriage.

15 “(i) The term ‘widower’, for purposes of section 10,
16 shall mean the surviving husband of an employee or Member
17 who was married to such employee or Member for at least
18 two years immediately preceding her death or is the father
19 of issue by such marriage. The term ‘dependent widower’,
20 for purposes of section 10, shall mean a ‘widower’ who is
21 incapable of self-support by reason of mental or physical
22 disability, and who received more than one-half his support
23 from such employee or Member.

24 “(j) The term ‘child’, for purposes of section 10, shall
25 mean an unmarried child, including (1) an adopted child,

1 *and (2) a stepchild or recognized natural child who received*
2 *more than one-half his support from and lived with the Mem-*
3 *ber or employee in a regular parent-child relationship, under*
4 *the age of eighteen years, or such unmarried child regardless*
5 *of age who because of physical or mental disability incurred*
6 *before age eighteen is incapable of self-support.*

7 “(k) the term ‘Government’ shall mean the executive,
8 judicial, and legislative branches of the United States Gov-
9 ernment, including Government-owned or controlled cor-
10 porations and Gallaudet College, and the municipal govern-
11 ment of the District of Columbia.

12 “(l) The term ‘lump-sum credit’ shall mean the unre-
13 funded amount consisting of (1) the retirement deductions
14 made from the basic salary of an employee or Member, (2)
15 any sums deposited by an employee or Member covering
16 prior service, and (3) interest on such deductions and de-
17 posits at 4 per centum per annum to December 31, 1947,
18 and 3 per centum per annum thereafter compounded annu-
19 ally to December 31, 1956 or, in the case of an employee
20 separated or transferred to a position not within the purview
21 of this Act before he has completed five years service or a
22 member separated before he has completed five years of Mem-
23 ber service, to the date of the separation or transfer. The
24 lump-sum credit shall not include interest if the service cov-

1 *ered thereby aggregates one year or less, nor shall it include*
2 *interest for the fractional part of a month in the total service.*

3 *“(m) The term ‘Commission’ shall mean the United*
4 *States Civil Service Commission.*

5 *“(n) The term ‘annuitant’ shall mean any former em-*
6 *ployee or Member who, on the basis of his service, has met*
7 *all requirements of the Act for title to annuity and has filed*
8 *claim therefor.*

9 *“(o) The term ‘survivor’ shall mean a person who is*
10 *entitled to annuity under this Act based on the service of a*
11 *deceased employee or Member or of a deceased annuitant.*

12 *“(p) The term ‘survivor annuitant’ shall mean a sur-*
13 *vivor who has filed claim for annuity.*

14 *“(q) The term ‘service’ shall mean employment which*
15 *is creditable under section 3.*

16 *“(r) The term ‘military service’ shall mean honorable*
17 *active service in the Army, Navy, Air Force, Marine Corps,*
18 *or Coast Guard of the United States, but shall not include*
19 *service in the National Guard except when ordered to active*
20 *duty in the service of the United States.*

21 *“(s) The term ‘Member service’ shall mean service as*
22 *a Member and shall include the period from the date of the*
23 *beginning of the term for which the Member is elected or*
24 *appointed to the date on which he takes office as a Member.*

1 "COVERAGE

2 "SEC. 2. (a) *This Act shall apply to each employee and*
3 *Member, except as hereinafter provided.*

4 "(b) *This Act shall not apply to the President, to any*
5 *judge of the United States as defined under section 451 of*
6 *title 28 of the United States Code, or to any employee of the*
7 *Government subject to another retirement system for Gov-*
8 *ernment employees.*

9 "(c) *This Act shall not apply to any Member or to any*
10 *congressional employee until he gives notice in writing,*
11 *within six months after the date of entrance into the serv-*
12 *ice, to the officer by whom his salary is paid, of his desire to*
13 *come within the purview of this Act.*

14 "(d) *This Act shall not apply to any temporary con-*
15 *gressional employee unless such employee is appointed at*
16 *an annual rate of salary and gives notice in writing, within*
17 *six months after the date of entrance into the service, to*
18 *the officer by whom his salary is paid, of his desire to come*
19 *within the purview of this Act.*

20 "(e) *The Commission may exclude from the operation*
21 *of this Act any employee or group of employees in the ex-*
22 *ecutive branch of the United States Government, or of the*
23 *District of Columbia government upon recommendation by*
24 *its Commissioners, whose tenure of office or employment is*

1 *temporary or intermittent, except that no employee shall be*
2 *excluded under this subsection after he shall have had more*
3 *than twelve months' continuous service.*

4 “(f) *This Act shall not apply to any temporary em-*
5 *ployee of the Administrative Office of the United States*
6 *Courts, of the courts specified in section 610 of title 28 of the*
7 *United States Code; and the Architect of the Capitol and*
8 *the Librarian of Congress are authorized to exclude from the*
9 *operation of this Act any employees under the office of the*
10 *Architect of the Capitol and the Library of Congress,*
11 *respectively, whose tenure of employment is temporary or of*
12 *uncertain duration.*

13 “(g) *Notwithstanding any other provision of law or*
14 *any Executive order, this Act shall apply to each United*
15 *States Commissioner whose total compensation for services*
16 *rendered as United States Commissioner is not less than*
17 *\$3,000 in each of the last three consecutive calendar years*
18 *(1) ending prior to the effective date of the Civil Service*
19 *Retirement Act Amendments of 1956 or (2) ending prior*
20 *to the first day of any calendar year which begins after*
21 *such effective date. For the purposes of this Act, the em-*
22 *ployment and compensation of each such United States Com-*
23 *missioner coming within the purview of this Act pursuant*
24 *to this subsection shall be held and considered to be on a*
25 *daily basis when actually employed; but nothing in this Act*

1 *shall affect, otherwise than for the purposes of this Act, the*
2 *basis, under applicable law other than this Act, on which*
3 *such United States Commissioner is employed or on which*
4 *his compensation is determined and paid.*

5 "CREDITABLE SERVICE

6 "SEC. 3. (a) *An employee's service for the purposes of*
7 *this Act including service as a substitute in the postal service*
8 *shall be credited from the date of original employment to the*
9 *date of the separation upon which title to annuity is based*
10 *in the civilian service of the Government. Credit shall*
11 *similarly be allowed for service in the Pan American Sani-*
12 *tary Bureau. No credit shall be allowed for any period*
13 *of separation from the service in excess of three calendar*
14 *days.*

15 "(b) *An employee or Member shall be allowed credit*
16 *for periods of military service prior to the date of the separa-*
17 *tion upon which title to annuity is based; however, if an*
18 *employee or Member is awarded retired pay on account of*
19 *military service, the period of service upon which such re-*
20 *tired pay is based shall not be included, unless such retired*
21 *pay is awarded on account of a service-connected disability*
22 *incurred in line of duty or is awarded under title III of*
23 *Public Law 810, Eightieth Congress, except that for pur-*
24 *poses of section 9 (c) (1), a Member (1) shall be allowed*
25 *credit only for periods of military service not exceeding*

1 five years, plus any military service performed by the
2 Member upon leaving his office, for the purpose of per-
3 forming such service, during any war or national emergency
4 proclaimed by the President or declared by the Congress and
5 prior to his final separation from service as Member and
6 (2) may not receive credit for military service for which
7 credit is allowed for the purposes of retired pay under any
8 other provision of law. Nothing in this Act shall affect the
9 right of an employee or a Member to retired pay, pension,
10 or compensation in addition to the annuity herein provided.

11 “(c) Credit shall be allowed for leaves of absence
12 granted an employee while performing military service or
13 while receiving benefits under the Federal Employees’ Com-
14 pensation Act of September 7, 1916, as amended. Except
15 for a substitute in the postal service, there shall be excluded
16 from credit so much of any other leaves of absence without
17 pay as may exceed six months in the aggregate in any
18 calendar year.

19 “(d) An employee who during the period of any war,
20 or of any national emergency as proclaimed by the Presi-
21 dent or declared by the Congress, has left or leaves his posi-
22 tion to enter the military service shall not be considered, for
23 the purposes of this Act, as separated from his civilian posi-
24 tion by reason of such military service, unless he shall apply
25 for and receive a lump-sum benefit under this Act.

1 “(e) The total service of an employee or Member shall
2 be the full years and twelfth parts thereof, excluding from
3 the aggregate the fractional part of a month, if any.

4 “(f) An employee must have completed at least five
5 years of civilian service before he shall be eligible for annuity
6 under this Act.

7 “(g) An employee or Member must have, within the
8 two-year period preceding any separation from service, other
9 than a separation by reason of death or disability, com-
10 pleted at least one year of creditable civilian service during
11 which he was subject to this Act before he or his survivors
12 shall be eligible for annuity under this Act based on such
13 separation. Failure to meet this service requirement shall
14 not deprive the individual or his survivors of any annuity
15 rights which attached upon a previous separation.

16 “(h) An employee who (1) has at least five years’
17 Member service and (2) has served as a Member at any time
18 after August 2, 1946, shall not be allowed credit for any
19 service which is used in the computation of an annuity
20 under section 9 (c).

21 “(i) In the case of each United States Commissioner
22 who comes within the purview of this Act pursuant to section
23 2 (g) of this Act, service rendered prior to, on, or after the
24 effective date of the Civil Service Retirement Act Amend-
25 ments of 1956 as United States Commissioner shall be cred-

1 *ited for the purposes of this Act on the basis of one three-*
2 *hundred-and-thirteenth of a year for each day on which such*
3 *United States Commissioner renders service in such capacity*
4 *and which is not credited for the purposes of this Act for*
5 *service performed by him in any capacity other than United*
6 *States Commissioner. Such credit shall not be granted for*
7 *service rendered as United States Commissioner for more*
8 *than three hundred and thirteen days in any one year.*

9 *“DEDUCTIONS AND DEPOSITS*

10 *“SEC. 4. (a) From and after the first day of the first*
11 *pay period which begins after December 31, 1956, there*
12 *shall be deducted and withheld from each employee's basic*
13 *salary an amount equal to 7 per centum of such basic salary*
14 *and from each Member's basic salary, an amount equal to 8*
15 *per centum of such basic salary. From and after the first day*
16 *of the first pay period which begins after June 30, 1957, an*
17 *equal sum shall also be contributed from the respective appro-*
18 *priation or fund which is used for payment of his salary,*
19 *pay or compensation, or in the case of an elected official,*
20 *from such appropriation or fund as may be available for*
21 *payment of other salaries of the same office or establishment.*
22 *The amounts so deducted and withheld by each department*
23 *or agency, together with the amounts so contributed, shall, in*
24 *accordance with such procedures as may be prescribed by the*
25 *Comptroller General of the United States, be deposited by*

1 the department or agency in the Treasury of the United States
 2 to the credit of the fund. There shall also be so credited all
 3 deposits made by employees or Members under this section.
 4 Amounts contributed under this subsection from appropri-
 5 ations of the Post Office Department shall not be considered
 6 as costs of providing postal service for the purpose of estab-
 7 lishing postal rates.

8 “(b) Each employee or Member shall be deemed to
 9 consent and agree to such deductions from basic salary, and
 10 payment less such deductions shall be a full and complete
 11 discharge and acquittance of all claims and demands what-
 12 soever for all regular services during the period covered by
 13 such payment, except the right to the benefits to which he
 14 shall be entitled under this Act, notwithstanding any law,
 15 rule, or regulation affecting the individual's salary.

16 “(c) Each employee or Member credited with civilian
 17 service after July 31, 1920, for which, for any reason what-
 18 soever, no retirement deductions or deposits have been made,
 19 may deposit with interest an amount equal to the following
 20 percentages of his basic salary received for such service:

	Percentage of basic salary	Service period
Employee-----	2½-----	August 1, 1920, to June 30, 1926
	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to June 30, 1948
	6-----	July 1, 1948, to December 31, 1956
	7-----	After December 31, 1956
Member for Mem- 2½-----		August 1, 1920, to June 30, 1926
ber service.	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to August 1, 1946
	6-----	August 2, 1946, to December 31, 1956
	8-----	After December 31, 1956

1 “(d) Each employee or Member who has received a
2 refund of retirement deductions under this or any other
3 retirement system established for employees of the Govern-
4 ment covering service for which he may be allowed credit
5 under this Act may deposit the amount received, with
6 interest. No credit shall be allowed for the service covered
7 by the refund until the deposit is made.

8 “(e) Interest under subsection (c) or (d) shall be
9 computed from the midpoint of each service period included
10 in the computation, or from the date refund was paid, to the
11 date of deposit or commencing date of annuity, whichever is
12 earlier. The interest shall be computed at the rate of 4 per
13 centum per annum to December 31, 1947, and 3 per centum
14 per annum thereafter compounded annually. Such deposit
15 may be made in one or more installments.

16 “(f) Under such regulations as may be prescribed by
17 the Commission, amounts deducted under subsection (a) and
18 deposited under subsections (c) and (d) shall be entered
19 on individual retirement records.

20 “(g) No deposit shall be required for any service prior
21 to August 1, 1920, for periods of military service or for any
22 service for the Panama Railroad Company prior to January
23 1, 1924.

1 "MANDATORY SEPARATION

2 "SEC. 5. (a) *Except as hereinafter provided, an em-*
3 *ployee who shall have attained the age of seventy years and*
4 *completed fifteen years of service shall be automatically*
5 *separated from the service. Such separation shall be effec-*
6 *tive on the last day of the month in which such employee*
7 *attains the age of seventy years or completes fifteen years of*
8 *service if then beyond such age, and all salary shall cease*
9 *from that day.*

10 "(b) *Each employing office shall notify each employee*
11 *under its direction of the date of such separation from the*
12 *service at least sixty days in advance thereof: Provided,*
13 *That subsection (a) shall not take effect without the con-*
14 *sent of the employee until sixty days after he has been so*
15 *notified.*

16 "(c) *The President may, by Executive order, exempt*
17 *from automatic separation under this section any employee*
18 *when, in his judgment, the public interest so requires.*

19 "(d) *The automatic separation provisions of this section*
20 *shall not apply to any person named in any Act of Congress*
21 *providing for the continuance of such person in the service, to*
22 *any Member, to any congressional employee, to the Archi-*
23 *tect of the Capitol or any employee under the office of the*

1 *Architect of the Capitol, or to any employee in the judicial*
2 *branch within the classes made subject to the Civil Service*
3 *Retirement Act of May 29, 1930, as amended, by the Act*
4 *of July 13, 1937.*

5 “(c) *In the case of an officer or employee of The Alaska*
6 *Railroad, Territory of Alaska, or an officer or employee who*
7 *is a citizen of the United States employed on the Isthmus of*
8 *Panama by the Panama Canal Company or the Canal Zone*
9 *Government, the provisions of this section shall apply upon*
10 *his attaining the age of sixty-two years and completing fifteen*
11 *years of service on the Isthmus of Panama or in the Terri-*
12 *tory of Alaska.*

13 “IMMEDIATE RETIREMENT

14 “SEC. 6. (a) *Any employee who attains the age of sixty*
15 *years and completes thirty years of service shall, upon sepa-*
16 *ration from the service, be paid an annuity computed as pro-*
17 *vided in section 9.*

18 “(b) *Any employee who attains the age of fifty-five*
19 *years and completes thirty years of service shall, upon sep-*
20 *aration from the service prior to attainment of the age of sixty*
21 *years, be paid a reduced annuity computed as provided in*
22 *section 9.*

23 “(c) *Any employee the duties of whose position are*
24 *primarily the investigation, apprehension, or detention of*
25 *persons suspected or convicted of offenses against the criminal*

1 laws of the United States, including any employee engaged
2 in such activity who has been transferred to a supervisory or
3 administrative position, who attains the age of fifty years and
4 completes twenty years of service in the performance of such
5 duties, may, if the head of his department or agency recom-
6 mends his retirement and the Commission approves, volun-
7 tarily retires from the service, and be paid an annuity com-
8 puted as provided in section 9 (i). The head of the depart-
9 ment or agency and the Commission shall give full considera-
10 tion to the degree of hazard to which such employee is
11 subjected in the performance of his duties, rather than the
12 general duties of the class of the position held by such
13 employee.

14 “(d) Any employee who completes twenty-five years
15 of service or who attains the age of fifty years and completes
16 twenty years of service shall upon involuntary separation
17 from the service not by removal for cause on charges of mis-
18 conduct or delinquency, be paid a reduced annuity computed
19 as provided in section 9.

20 “(e) Any employee who attains the age of sixty-two
21 years and completes five years of service shall, upon separa-
22 tion from the service, be paid an annuity computed as pro-
23 vided in section 9.

24 “(f) Any Member who attains the age of sixty-two
25 years and completes five years of Member service, or who

1 attains the age of sixty years and completes ten years of
2 Member service, shall, upon separation from the service, be
3 paid an annuity computed as provided in section 9. No
4 Member or survivor of a Member shall be entitled to receive
5 an annuity under this Act unless there shall have been
6 deducted or deposited the amounts specified in section 4 with
7 respect to his last five years of Member service.

8
9 "DISABILITY RETIREMENT

9 "SEC. 7. (a) Any employee who completes five years
10 of civilian service and who is found by the Commission to
11 have become disabled shall, upon his own application or
12 upon application by his department or agency, be retired
13 on an annuity computed as provided in section 9. Any Mem-
14 ber who completes five years of Member service and who is
15 found by the Commission to have become disabled shall,
16 upon his own application, be retired on an annuity computed
17 as provided in section 9.

18 "(b) No claim shall be allowed under this section unless
19 the application is filed with the Commission prior to sepa-
20 ration of the employee or Member from the service or within
21 one year thereafter. This time limitation may be waived by
22 the Commission for an individual who at the date of sepa-
23 ration from service or within one year thereafter is mentally
24 incompetent, if the application is filed with the Commission
25 within one year from the date of restoration of such individ-

1 ual to competency or the appointment of a fiduciary, which-
2 ever is the earlier.

3 “(c) Each annuitant retired under this section or under
4 section 6 of the Act of May 29, 1930, as amended, unless
5 his disability is permanent in character, shall at the expira-
6 tion of one year from the date of such retirement and annu-
7 ally thereafter, until reaching age sixty, be examined under
8 the direction of the Commission. If the annuitant fails to
9 submit to examination as required under this section, pay-
10 ment of the annuity shall be suspended until continuance of
11 the disability is satisfactorily established.

12 “(d) If such annuitant, before reaching age sixty, re-
13 covers from his disability or is restored to an earning capac-
14 ity fairly comparable to the current rate of compensation of
15 the position occupied at the time of retirement, payment of
16 the annuity shall cease (1) upon reemployment by the Gov-
17 ernment, (2) one year from the date of the medical examina-
18 tion showing such recovery, or (3) one year from the date of
19 determination that he is so restored, whichever is earliest.
20 Earning capacity shall be deemed restored if in each of two
21 succeeding calendar years the income of the annuitant from
22 wages or self-employment or both shall equal at least 80 per
23 centum of the current rate of compensation of the position
24 occupied immediately prior to retirement.

25 “(e) If such annuitant whose annuity is discontinued

1 under subsection (d) is not reemployed in any position in-
2 cluded in the provisions of this Act, he shall be considered,
3 except for service credit, as having been involuntarily sepa-
4 rated from the service for the purposes of this Act as of the
5 date of discontinuance of the disability annuity and shall,
6 after such discontinuance, be entitled to annuity in accord-
7 ance with the applicable provision of this Act.

8 “(f) No person shall be entitled to receive an annuity
9 under this Act and compensation for injury or disability to
10 himself under the Federal Employees' Compensation Act of
11 September 7, 1916, as amended, covering the same period
12 of time. This provision shall not bar the right of any claim-
13 ant to the greater benefit conferred by either Act for any
14 part of the same period of time. Neither this provision nor
15 any provision in such Act of September 7, 1916, as
16 amended, shall deny to any person an annuity accruing to
17 such person under this Act on account of service rendered
18 by him, or deny any concurrent benefit to such person under
19 such Act of September 7, 1916, as amended, on account of
20 the death of any other person.

21 “(g) Notwithstanding any provision of law to the con-
22 trary, the right of any person entitled to an annuity under
23 this Act shall not be affected because such person has received
24 an award of compensation in a lump sum under section 14
25 of the Act of September 7, 1916, as amended, except that

1 where such annuity is payable on account of the same dis-
2 ability for which compensation under such section has been
3 paid, so much of such compensation as has been paid for
4 any period extended beyond the date such annuity becomes
5 effective, as determined by the Department of Labor, shall
6 be refunded to the Department of Labor, to be covered into
7 the Federal Employees' Compensation Fund. Before such
8 person shall receive such annuity he shall (1) refund to such
9 Department the amount representing such commuted pay-
10 ments for such extended period, or (2) authorize the deduc-
11 tion of such amount from the annuity payable to him under
12 this Act, which amount shall be transmitted to such Depart-
13 ment for reimbursement to such fund. Deductions from such
14 annuity may be made from accrued and accruing payments,
15 or may be prorated against and paid from accruing payments
16 in such manner as the Department of Labor shall determine,
17 whenever it finds that the financial circumstances of the
18 annuitant are such as to warrant such deferred refunding.

19 **"DEFERRED RETIREMENT"**

20 **"SEC. 8. (a)** Any employee who is separated from the
21 service or transferred to a position not within the purview
22 of this Act after completing five years of civilian service
23 may be paid an annuity beginning at the age of sixty-two
24 years computed as provided in section 9.

25 **"(b)** Any Member who is separated from the service as

58

1 a Member after completing five years of Member service
2 may be paid an annuity beginning at the age of sixty-two
3 years, computed as provided in section 9.

4 "COMPUTATION OF ANNUITY

5 "SEC. 9. (a) Except as otherwise provided in this sec-
6 tion, the annuity of an employee retiring under this Act
7 shall be (1) the larger of (A) $1\frac{1}{2}$ per centum of the
8 average salary multiplied by so much of the total service
9 as does not exceed five years, or (B) 1 per centum of the
10 average salary, plus \$25, multiplied by so much of the total
11 service as does not exceed five years, plus (2) the larger
12 of (A) 2 per centum of the average salary multiplied by
13 so much of the total service as exceeds five years, or (B)
14 1 per centum of the average salary, plus \$25, multiplied
15 by so much of the total service as exceeds five years: Pro-
16 vided, That the annuity shall not exceed 80 per centum of
17 the average salary: Provided further, That the annuity of an
18 employee retiring under section 7 shall be at least (1) 40
19 per centum of the average salary or (2) the sum obtained
20 under this subsection after increasing his total service by the
21 period elapsing between the date of separation and the date
22 he attains the age of sixty years, whichever is the lesser, but
23 this proviso shall not increase the annuity of any survivor.

24 "(b) The annuity of a congressional employee retiring
25 under this Act shall, if he so elects at the time his annuity

1 commences, be (1) $2\frac{1}{2}$ per centum of the average salary
2 multiplied by his military service and service as a congres-
3 sional employee, not exceeding a total of fifteen years, plus
4 (2) $1\frac{1}{2}$ per centum of the average salary multiplied by so
5 much of the remainder of his total service as does not exceed
6 five years, plus (3) 2 per centum of the average salary mul-
7 tiplied by so much of the remainder of his total service as
8 exceeds five years: Provided, That the annuity shall not
9 exceed 80 per centum of the average salary. This subsection
10 shall not apply unless the congressional employee (1) has
11 had at least five years' service as a congressional employee,
12 (2) has had deductions withheld from his salary or made
13 deposit covering his last five years of civilian service, and
14 (3) has served as a congressional employee during the last
15 eleven months of his civilian service: Provided further, That
16 the annuity of a congressional employee retiring under sec-
17 tion 7 shall be at least (1) 40 per centum of the average
18 salary or (2) the sum obtained under this subsection after
19 increasing his service as a congressional employee by the
20 period elapsing between the date of separation and the date
21 he attains the age of sixty years, whichever is the lesser, but
22 this provision shall not increase the annuity of any survivor.
23 “(c) The annuity of a Member retiring under this Act
24 shall be an amount equal to—

25 “(1) $2\frac{1}{2}$ per centum of the average salary multi-

1 plied by the total of his Member and creditable military
2 service;

3 “(2) $2\frac{1}{2}$ per centum of the average salary multi-
4 plied by his total years of service, not exceeding fifteen,
5 performed as a congressional employee prior to his sepa-
6 ration from service as a Member, other than any such
7 service which he may elect to exclude;

8 “(3) $1\frac{1}{2}$ per centum of such average salary multi-
9 plied by so much of his total service, other than service
10 used in computing annuity under clauses (1) and (2),
11 as does not exceed five years, performed prior to his
12 separation from service as a Member, and other than
13 any such service which he may elect to exclude; and

14 “(4) 2 per centum of such average salary multiplied
15 by his total service, other than service used in comput-
16 ing annuity under clauses (1), (2), and (3), per-
17 formed prior to his separation from service as a Mem-
18 ber, and other than any such service which he may elect
19 to exclude.

20 In no case shall an annuity computed under this subsection
21 exceed 80 per centum of the basic salary that he is receiving
22 at the time of such separation from the service, and in no
23 case shall the annuity of a Member retiring under section 7
24 be less than (A) 40 per centum of the average salary or
25 (B) the sum obtained under this subsection after increasing

1 his Member service by the period elapsing between the date
2 of separation and the date he attains the age of sixty years,
3 whichever is the lesser, but this provision shall not increase
4 the annuity of any survivor.

5 " (d) The annuity as hereinbefore provided, for an em-
6 ployee retiring under section 6 (b) or 6 (d), shall be re-
7 duced by one-twelfth of 1 per centum for each full month
8 not in excess of sixty, and one-sixth of 1 per centum for each
9 full month in excess of sixty, such employee is under the age
10 of sixty years at date of separation.

11 " (e) The annuity as hereinbefore provided shall be re-
12 duced by 10 per centum of any deposit described in section
13 4 (c) remaining unpaid, unless the employee or Member
14 shall elect to eliminate the service involved for purposes of
15 annuity computation.

16 " (f) Any employee or Member retiring under section
17 6, 7, or 8 may at the time of retirement elect a reduced
18 annuity, in lieu of the annuity as hereinbefore provided, and
19 designate in writing his wife or husband to receive an
20 annuity after the retired individual's death computed as
21 provided in section 10 (a) (1). The annuity of the
22 employee or Member making such election, excluding any
23 increase because of retirement under section 7, shall be re-
24 duced by $2\frac{1}{2}$ per centum of so much of the portion thereof
25 designated under section 10 (a) (1) as does not exceed

1 \$2,400 and by 10 per centum of so much of the portion so
2 designated as exceeds \$2,400.

3 “(g) Any unmarried employee or Member retiring
4 under section 6 or 8, and found by the Commission to be in
5 good health, may at the time of retirement elect a reduced
6 annuity, in lieu of the annuity as hereinbefore provided, and
7 designate in writing a person having an insurable interest
8 in the employee or Member to receive an annuity after the
9 retired individual's death. The annuity payable to the
10 employee or Member making such election shall be reduced
11 by 10 per centum of an annuity computed as provided in
12 section 9 and by 5 per centum of an annuity so computed
13 for each full five years the person designated is younger
14 than the retiring employee or Member, but such total reduc-
15 tion shall not exceed 40 per centum.

16 “(h) The annuity as hereinbefore provided, for an
17 employee who is a citizen of the United States, shall be
18 increased by \$36 multiplied by total service in the employ
19 of either the Alaska Engineering Commission or The Alaska
20 Railroad in the Territory of Alaska between March 12, 1914,
21 and July 1, 1923, or in the employ of either the Isthmian
22 Canal Commission or the Panama Railroad Company on
23 the Isthmus of Panama between May 4, 1904, and April 1,
24 1914.

25 “(i) The annuity of an employee retiring under section

1 6 (c) shall be 2 per centum of the average salary multiplied
2 by the total service: Provided, That the annuity shall not
3 exceed 80 per centum of the average salary.

4 "SURVIVOR ANNUITIES

5 "SEC. 10. (a) (1) If a Member or employee dies after
6 having retired under any provision of this Act and is survived
7 by a wife or husband designated under section 9 (f) such wife
8 or husband shall be paid an annuity equal to 50 per centum
9 of so much of an annuity computed as provided in subsections
10 (a), (b), (c), (d), and (e) of section 9, as may apply with
11 respect to the annuitant, as is designated in writing for such
12 purpose by such member or employee at the time he makes the
13 election provided for by section 9 (f).

14 "(2) An annuity computed under this subsection shall
15 begin on the first day of the month in which the retired em-
16 ployee dies, and such annuity or any right thereto shall ter-
17 minate upon the survivor's death or remarriage.

18 "(b) The annuity of a survivor designated under sec-
19 tion 9 (g) shall be 50 per centum of the reduced annuity
20 computed as provided in subsections (a), (b), (c), (d),
21 (e), and (g) of section 9 as may apply with respect to the
22 annuitant. The annuity of such survivor shall begin on the
23 first day of the month in which the retired employee dies,
24 and such annuity or any right thereto shall terminate upon
25 the survivor's death.

1 “(c) If an employee dies after completing at least five
2 years of civilian service, or a Member dies after completing
3 at least five years of Member service, the widow or depend-
4 ent widower of such employee or Member shall be paid an
5 annuity equal to 50 per centum of an annuity computed as
6 provided in subsections (a), (b), (c), and (e) of section
7 9 as may apply with respect to the employee or Member.
8 The annuity of such widow or dependent widower shall
9 begin on the first day of the month after the employee or
10 Member dies, and such annuity or any right thereto shall
11 terminate upon death or remarriage of the widow or widower,
12 or upon the widower's becoming capable of self-support.

13 “(d) If an employee dies after completing five years of
14 civilian service or a Member dies after completing five years
15 of Member service, or an employee or a Member dies after
16 having retired under any provision of the Act, and is sur-
17 vived by a wife or by a husband who is incapable of self-
18 support by reason of mental or physical disability and who
19 received more than one-half of his support from such em-
20 ployee or Member, each surviving child shall be paid an
21 annuity equal to the smallest of (1) 40 per centum of the
22 employee's or Member's average salary divided by the num-
23 ber of children, (2) \$600, or (3) \$1,800 divided by the
24 number of children. If such employee or Member is not sur-
25 vived by a wife or husband, each surviving child shall be

1. *paid an annuity equal to the smallest of (1) 50 per centum*
2. *of the employee's or Member's average salary divided by the*
3. *number of children, (2) \$720, or (3) \$2,160 divided by the*
4. *number of children. The child's annuity shall begin on the*
5. *first day of the month after the employee or Member dies,*
6. *and such annuity or any right thereto shall terminate upon*
7. *(1) his attaining age 18 unless incapable of self-support, (2)*
8. *his becoming capable of self-support after age 18, (3) his*
9. *marriage, or (4) his death. Upon the death of the wife or*
10. *dependent husband or termination of the annuity of the child,*
11. *the annuity of any other child or children shall be recom-*
12. *puted and paid as though such wife, dependent husband, or*
13. *child had not survived the employee or Member.*

14. *"LUMP-SUM BENEFITS*

15. *"SEC. 11. (a) Any employee who is separated or trans-*
16. *ferred to a position not within the purview of this Act after*
17. *he has completed five but less than twenty years of service,*
18. *and any Member who is separated after he has completed*
19. *five but less than twenty years of Member service, shall upon*
20. *application therefor be paid the lump-sum credit. Any*
21. *employee who is separated or transferred to a position not*
22. *within the purview of this Act before he has completed five*
23. *years' service, and any Member who is separated before*
24. *he has completed five years of Member service, shall be paid*
25. *the lump-sum credit. The receipt of payment of the lump-*

1 *sum credit by the individual shall void all annuity rights*
2 *under this Act, unless and until he shall be reemployed*
3 *in the service subject to this Act.*

4 “(b) *Each present or former employee or Member may,*
5 *under regulations prescribed by the Commission, designate a*
6 *beneficiary or beneficiaries for the purposes of this Act.*

7 “(c) *Lump-sum benefits authorized under subsections*
8 *(d), (e), and (f) of this section shall be paid in the follow-*
9 *ing order of precedence to such person or persons surviving*
10 *the employee or Member and alive at the date title to the*
11 *payment arises, and such payment shall be a bar to recovery*
12 *by any other person:*

13 “*First, to the beneficiary or beneficiaries designated by*
14 *the employee or Member in a writing received in the Com-*
15 *mission prior to his death;*

16 “*Second, if there be no such beneficiary, to the widow*
17 *or widower of the employee or Member;*

18 “*Third, if none of the above, to the child or children of*
19 *the employee or Member and descendants of deceased chil-*
20 *dren by representation;*

21 “*Fourth, if none of the above, to the parents of the*
22 *employee or Member or the survivor of them;*

23 “*Fifth, if none of the above, to the duly appointed*
24 *executor or administrator of the estate of the employee or*
25 *Member;*

1 *"Sixth, if none of the above, to other next of kin of the*
2 *employee or Member as may be determined by the Commis-*
3 *sion to be entitled under the laws of the domicile of the*
4 *individual at the time of his death.*

5 *"(d) If an employee or Member dies (1) without a*
6 *survivor, or (2) with a survivor or survivors and the right*
7 *of all survivors shall terminate before claim for survivor*
8 *annuity is filed, or if a former employee or Member not re-*
9 *tired dies, the lump-sum credit shall be paid.*

10 *"(e) If all annuity rights under this Act based on the*
11 *service of a deceased employee or Member shall terminate*
12 *before the total annuity paid equals the lump-sum credit, the*
13 *difference shall be paid.*

14 *"(f) If an annuitant dies, any annuity accrued and*
15 *unpaid shall be paid.*

16 *"(g) Any annuity accrued and unpaid upon the termi-*
17 *nation (other than by death) of the annuity of any an-*
18 *nuitant or survivor annuitant shall be paid to such person.*
19 *Any survivor annuity accrued and unpaid upon the death*
20 *of any survivor annuitant shall be paid in the following*
21 *order of precedence, and such payment shall be a bar to*
22 *recovery by any other person:*

23 *"First, to the duly appointed executor or administrator*
24 *of the estate of the survivor annuitant;*

25 *"Second, if there is no such executor or administrator,*

1 *payment may be made, after the expiration of thirty days*
2 *from the date of death of such survivor annuitant, to such*
3 *next of kin of the survivor annuitant as may be determined*
4 *by the Commission to be entitled under the laws of the*
5 *survivor annuitant's domicile at the time of his death.*

6 *“ADDITIONAL ANNUITIES*

7 *“SEC. 12. (a) Any employee or Member may, under*
8 *regulations prescribed by the Commission, voluntarily con-*
9 *tribute additional sums in multiples of \$25, but the total*
10 *may not exceed 10 per centum of his basic salary for his*
11 *creditable service from and after August 1, 1920. The*
12 *voluntary contribution account in each case shall be the*
13 *sum of such unrefunded contributions, plus interest at 3*
14 *per centum per annum compounded annually to date of*
15 *separation or transfer to a position not within the purview*
16 *of this Act or, in case of an individual who is separated*
17 *with title to a deferred annuity and does not claim the*
18 *voluntary contribution account, to the commencing date fixed*
19 *for such deferred annuity or date of death, whichever is*
20 *earlier.*

21 *“(b) Such voluntary contribution account shall be used*
22 *to purchase at retirement an annuity in addition to the*
23 *annuity otherwise provided. For each \$100 in such volun-*
24 *tary contribution account, the additional annuity shall con-*
25 *sist of \$7, increased by 20 cents for each full year, if any,*

1 *such employee or Member is over the age of fifty-five years*
2 *at the date of retirement.*

3 “(c) *A retiring employee or Member may elect a*
4 *reduced additional annuity in lieu of the additional annuity*
5 *described in subsection (b) and designate in writing a*
6 *person to receive after his death an annuity of 50 per centum*
7 *of his reduced additional annuity. The additional annuity*
8 *of the employee or Member making such election shall be*
9 *reduced by 10 per centum, and by 5 per centum for each*
10 *full five years the person designated is younger than the*
11 *retiring employee or Member, but such total reduction shall*
12 *not exceed 40 per centum.*

13 “(d) *Any employee or Member who is separated from*
14 *the service before becoming eligible for immediate or de-*
15 *ferred annuity or who transfers to a position wherein he*
16 *does not continue subject to this Act shall be paid the volun-*
17 *tary contribution account. Any employee or Member who is*
18 *separated from the service after becoming eligible for a de-*
19 *ferred annuity under section 8 may elect to receive, in lieu of*
20 *additional annuity, the voluntary contribution account, pro-*
21 *vided his separation occurs and application for payment is*
22 *filed with the Commission at least thirty-one days before the*
23 *commencing date of annuity.*

24 “(e) *If any present or former employee or Member*
25 *not retired dies, the voluntary contribution account shall be*

1 *paid under the provisions of section 11 (c). If all addi-*
2 *tional annuities or any right thereto based on the voluntary*
3 *contribution account of a deceased employee or Member*
4 *terminate before the total additional annuity paid equals such*
5 *account, the difference shall be paid under the provisions of*
6 *section 11 (c).*

7 "REEMPLOYMENT OF ANNUITANTS

8 "SEC. 13. (a) *Notwithstanding any other provision of*
9 *law, an annuitant heretofore or hereafter retired under this*
10 *Act shall not, by reason of his retired status, be barred from*
11 *employment in any appointive position for which he is*
12 *qualified. An annuitant so reemployed shall serve at the*
13 *will of the appointing officer.*

14 "(b) *If an annuitant under this Act (other than (1) a*
15 *disability annuitant whose annuity is terminated by reason*
16 *of his recovery or restoration of earning capacity, or (2) a*
17 *Member retired under this Act) hereafter becomes employed*
18 *in an appointive or elective position subject to this Act, an-*
19 *nuity payments shall be discontinued during such employ-*
20 *ment and deductions for the retirement fund shall be withheld*
21 *from his salary. If such annuitant performs actual full-*
22 *time service for a period of at least one year, his right to*
23 *future annuity shall be determined upon the basis of the*
24 *law in effect at the time of termination of such period of*
25 *employment and service performed during such period shall*

1 be credited for such purpose. If such annuitant does not
2 perform actual full-time service for a period of at least one
3 year, his annuity payments shall be resumed in the same
4 amount and amounts deducted from his salary during such
5 period of employment shall be returned upon the expiration
6 of such period. If an annuitant under this Act (other than
7 (1) a disability annuitant whose annuity is terminated by
8 reason of his recovery or restoration of earning capacity, or
9 (2) a Member retired under this Act) hereafter becomes
10 employed in an appointive or elective position not subject
11 to this Act, annuity payments shall be discontinued during
12 such reemployment and resumed in the same amount upon
13 termination of such employment.

14 “(c) If a Member heretofore or hereafter retired under
15 this Act hereafter becomes employed in an appointive or
16 elective position, annuity payments shall be discontinued dur-
17 ing such employment and resumed in the same amount upon
18 termination of such employment: Provided, That if such re-
19 tired Member takes office as Member and gives notice as pro-
20 vided in section 2 (c), his service as Member during such
21 period shall be credited in determining his right to and the
22 amount of his subsequent annuity.

23 “PAYMENT OF BENEFITS

24 “SEC. 14. (a) Each annuity is stated as an annual
25 amount, one-twelfth of which, fixed at the nearest dollar,

1 accrues monthly and is payable on the first business day of
2 the month after it accrues.

3 “(b) Except as otherwise provided, the annuity of an
4 employee shall commence on the first of the month after
5 separation from the service, or on the first of the month after
6 salary ceases provided the employee meets the service and
7 the age or disability requirements for title to annuity at that
8 time. The annuity of a Member or of an elected officer of
9 the Senate or House of Representatives shall commence on
10 the day following the day on which salary shall cease pro-
11 vided the person entitled to such annuity meets the service
12 and the age or disability requirements for title to annuity at
13 that time. The annuity of an employee or Member under
14 section 8 shall commence on the first of the month after
15 the occurrence of the event on which payment of the annuity
16 is based.

17 “(c) An annuity shall terminate on the last day of the
18 month preceding the month in which death or any other
19 terminating event provided in this Act occurs.

20 “(d) Any person entitled to annuity from the fund may
21 decline to accept all or any part of such annuity by a waiver
22 signed and filed with the Commission. Such waiver may be
23 revoked in writing at any time, but no payment of the
24 annuity waived shall be made covering the period during
25 which such waiver was in effect.

1 “(e) Where any payment is due a minor, or a person
2 mentally incompetent or under other legal disability, such
3 payment may be made to the person who is constituted
4 guardian or other fiduciary by the law of the State of resi-
5 dence of such claimant or is otherwise legally vested with the
6 care of the claimant or his estate: Provided, That where no
7 guardian or other fiduciary of the person under legal dis-
8 ability has been appointed under the laws of the State of
9 residence of the claimant, payment may be made to any
10 person who in the judgment of the Commission is responsible
11 for the care of the claimant, and such payment shall be a bar
12 to recovery by any other person.

13 “EXEMPTION FROM LEGAL PROCESSES

14 “SEC. 15. (a) None of the moneys mentioned in this
15 Act shall be assignable, either in law or equity, or be subject
16 to execution, levy, attachment, garnishment, or other legal
17 process.

18 “(b) Notwithstanding any other provision of law, there
19 shall be no recovery of any payments under this Act from
20 any person when, in the judgment of the Commission, such
21 person is without fault and such recovery would be contrary
22 to equity and good conscience; nor shall there be any with-
23 holding of recovery of any moneys mentioned in this Act on
24 account of any certification or payment made by any former
25 employee of the United States in the discharge of his official

1 duties unless the head of the department or agency on behalf
2 of which the certification or payment was made certifies to
3 the Commission that such certification or payment involved
4 fraud on the part of such employee.

5 "ADMINISTRATION

6 "SEC. 16. (a) This Act shall be administered by the
7 Commission. Except as otherwise specifically provided here-
8 in, the Commission is hereby authorized and directed to
9 perform, or cause to be performed, any and all acts and to
10 make such rules and regulations as may be necessary and
11 proper for the purpose of carrying the provisions of this
12 Act into full force and effect.

13 "(b) Applications under this Act shall be in such form
14 as the Commission shall prescribe, and shall be supported by
15 such certificates from departments or agencies as the Com-
16 mission may deem necessary to the determination of the
17 rights of applicants. The Commission shall adjudicate all
18 claims under this Act.

19 "(c) Questions of dependency and disability arising
20 under this Act shall be determined by the Commission and
21 its decisions with respect to such matters shall be final and
22 conclusive and shall not be subject to review. The Com-
23 mission may order or direct at any time such medical or
24 other examinations as it shall deem necessary to determine
25 the facts relative to the disability or dependency of any per-

1 son receiving or applying for annuity under this Act, and
2 may suspend or deny any such annuity for failure to submit
3 to any such examination.

4 “(d) An appeal to the Commission shall lie from any
5 administrative action or order affecting the rights or interests
6 of any person or of the United States under this Act, the
7 procedure on appeal to be prescribed by the Commission.

8 “(e) Fees for examinations made under the provisions
9 of this Act, by physicians or surgeons who are not medical
10 officers of the United States, shall be fixed by the Commis-
11 sion; and such fees, together with reasonable traveling and
12 other expenses incurred in connection with such examina-
13 tions, shall be paid out of the appropriations for the cost of
14 administering this Act.

15 “(f) The Commission shall publish an annual report
16 upon the operations of this Act.

17 “(g) The Commission is hereby authorized and directed
18 to select three actuaries, to be known as the Board of Actu-
19 aries of the Civil Service Retirement System. It shall be the
20 duty of such Board to report annually upon the actuarial
21 status of the system and to furnish its advice and opinion
22 on matters referred to it by the Commission, and it shall have
23 the authority to recommend to the Commission and to the
24 Congress such changes as in the Board's judgment may be
25 deemed necessary to protect the public interest and maintain

1 *the system upon a sound financial basis. The Commission*
2 *shall keep or cause to be kept such records as it deems neces-*
3 *sary for making periodic actuarial valuations of the Civil*
4 *Service Retirement System, and the Board shall make such*
5 *valuations at intervals of five years, or oftener if deemed*
6 *necessary by the Commission. The compensation of the*
7 *members of the Board of Actuaries, exclusive of such mem-*
8 *bers as are in the employ of the United States, shall be fixed*
9 *by the Commission.*

10 *“CIVIL SERVICE RETIREMENT AND DISABILITY FUND*

11 *“SEC. 17. (a) The fund is hereby appropriated for*
12 *the payment of benefits as provided in this Act.*

13 *“(b) The Secretary of the Treasury is hereby authorized*
14 *to accept and credit to the fund moneys received in the*
15 *form of donations, gifts, legacies, or bequests, or otherwise*
16 *contributed for the benefit of civil-service employees*
17 *generally.*

18 *“(c) The Secretary of the Treasury shall immediately*
19 *invest in interest-bearing securities of the United States, such*
20 *currently available portions of the fund as are not imme-*
21 *diately required for payments from the fund, and the income*
22 *derived from such investments shall constitute a part of the*
23 *fund.*

24 *“(d) The purposes for which obligations of the United*

1 *States may be issued under the Second Liberty Bond Act,*
2 *as amended, are hereby extended to authorize the issuance*
3 *at par of public-debt obligations for purchase by the fund.*
4 *Such obligations issued for purchase by the fund shall have*
5 *maturities fixed with due regard for the needs of the fund and*
6 *bear interest at a rate equal to the average rate of interest*
7 *computed as to the end of the calendar month next preceding*
8 *the date of such issue, borne by all marketable interest-*
9 *bearing obligations of the United States then forming a part*
10 *of the public debt that are not due or callable until after*
11 *the expiration of five years from the date of original issue;*
12 *except that where such average rate is not a multiple of*
13 *one-eighth of 1 per centum, the rate of interest of such*
14 *obligations shall be the multiple of one-eighth of 1 per centum*
15 *nearest such average rate. Such obligations shall be issued*
16 *for purchase by the fund only if the Secretary of the Treasury*
17 *determines that the purchase in the market of other interest-*
18 *bearing obligations of the United States, or of obligations*
19 *guaranteed as to both principal and interest by the United*
20 *States on original issue or at the market price, is not in the*
21 *public interest.*

22 "SHORT TITLE

23 "SEC. 18. This Act may be cited as the 'Civil Service
24 Retirement Act'."

1 MEMBERS OF FACULTY OF NAVAL ACADEMY

2 SEC. 402. (a) On and after the effective date of this title
3 persons employed as members of the civilian faculties of the
4 United States Naval Academy and the United States Naval
5 Postgraduate School shall be included within the terms of
6 the Civil Service Retirement Act, and on and after that
7 date the Act of January 16, 1936 (49 Stat. 1092), as
8 amended, shall not apply to such persons.

9 (b) In lieu of the deposit prescribed by section 4 (c)
10 of the Civil Service Retirement Act, an employee who by
11 virtue of subsection (a) is included within the terms of
12 such Act shall deposit, for service rendered prior to the
13 effective date of this title as a member of the civilian faculty
14 of the United States Naval Academy or of the United States
15 Naval Postgraduate School, a sum equal to so much of the
16 repurchase price of his annuity policy carried as required
17 by the Act of January 16, 1936, as amended, as is based
18 on the monthly allotments which were registered with the
19 Navy Allotment Office toward the purchase of that annuity,
20 the deposit to be made within six months after the effective
21 date of this title. Should the deposit not be made within
22 that period no credit shall be allowed under the Civil Service
23 Retirement Act for service rendered as a member of the
24 civilian faculty of the United States Naval Academy or of

1 *the United States Naval Postgraduate School subsequent to*
2 *July 31, 1920, and prior to the effective date of this title.*
3 *If the deposit is made, such service shall be held and con-*
4 *sidered to be service during which the employee was subject*
5 *to the Civil Service Retirement Act.*

6 *RETROACTIVE APPLICATION OF CERTAIN BENEFITS*

7 *SEC. 403. The amendment approved September 30,*
8 *1949 (Public Law 310, Eighty-first Congress), to section 4*
9 *(b) of the Civil Service Retirement Act of May 29, 1930,*
10 *as amended, insofar as it relates to the amount of the reduc-*
11 *tion in the annuities of officers and employees who elect to*
12 *receive reduced annuities under such section, shall take effect*
13 *as of April 1, 1948, but no increase in annuity shall be*
14 *payable by reason of such amendment, to those who retired*
15 *on or after July 1, 1948, and prior to October 1, 1949, for*
16 *any period prior to the first day of the first month which*
17 *begins after the effective date of this title.*

18 *CONTINUATION OF PRIOR RIGHTS*

19 *SEC. 404. Except as otherwise provided, the amendments*
20 *made by this title shall not apply in the case of employees or*
21 *Members retired or otherwise separated prior to its effective*
22 *date, and the rights of such persons and their survivors shall*
23 *continue in the same manner and to the same extent as if*
24 *this title had not been enacted.*

80

1 *VICE PRESIDENT*

2 *SEC. 405. The notice required by section 2 (c) of the*
3 *Civil Service Retirement Act may be given, by any person*
4 *holding the office of Vice President on the effective date of*
5 *this title, at any time within fifteen days after such effective*
6 *date, and in the case of any such person service performed*
7 *in such office shall be considered service during which he*
8 *was subject to such Act for the purpose of section 3 (g)*
9 *thereof.*

10 FUTURE SALARY INCREASES TO INCLUDE INCREASES TO
11 ANNUITANTS

12 *SEC. 406. It is the policy of the Congress that whenever*
13 *in the future any general adjustment is made in the salaries*
14 *of Government employees, corresponding adjustments should*
15 *be made in the annuities of retired employees.*

16 FORFEITURE OF ANNUITIES OF PERSONS REMAINING OUT-
17 SIDE UNITED STATES TO AVOID PROSECUTION

18 SEC. 407. The Act entitled "An Act to prohibit payment
19 of annuities to officers and employees of the United States
20 convicted of certain offenses, and for other purposes", ap-
21 proved September 1, 1954 (68 Stat. 1142), is amended
22 by adding at the end of section 2 thereof a new subsection as
23 follows:

24 “(c) In any case in which, after the date of enactment
25 of this subsection, any person under indictment for any

1 offense within the purview of the first section of this Act
2 wilfully remains outside the United States, its Territories,
3 and possessions, for a period in excess of one year with
4 knowledge of such indictment, no annuity or retired pay
5 shall be paid, for any period subsequent to the end of such
6 one-year period to such person or to the survivor or bene-
7 ficiary of such person, on the basis of the service of such
8 person, as an officer or employee of the Government unless
9 and until a nolle prosequi to the entire indictment is entered
10 upon the record or such person returns and thereafter the
11 indictment is dismissed or after trial by court the accused is
12 found not guilty of the offense or offenses charged in the
13 indictment."

14

EFFECTIVE DATE

15 SEC. 408. This title shall take effect on January 1, 1957.

16

SHORT TITLE

17 SEC. 409. This title may be cited as the "Civil Service
18 Retirement Act Amendments of 1956."

19

TITLE V—ADDITIONAL SCIENTIFIC AND

20

PROFESSIONAL POSITIONS

21 SEC. 501. (a) Subsections (a) and (b) of the first sec-
22 tion of the Act of August 1, 1947 (61 Stat. 715; Public
23 Law 313, Eightieth Congress), as amended, are amended to
24 read as follows: "(a) The Secretary of Defense is author-
25 ized to establish and fix the compensation for not more than

1 two hundred and seventy-five positions in the Department
2 of Defense and not more than fifty positions in the National
3 Security Agency, each such position being established to
4 effectuate those research and development functions, relat-
5 ing to the national defense, military and naval medicine,
6 and any and all other activities of the Department of De-
7 fense and the National Security Agency, as the case may be,
8 which require the services of specially qualified scientific or
9 professional personnel.

10 “(b) The Chairman of the National Advisory Com-
11 mittee for Aeronautics is authorized to establish and fix the
12 compensation for, in the headquarters and research stations
13 of the National Advisory Committee for Aeronautics, not
14 to exceed sixty positions in the professional and scientific
15 service, each such position being established in order to enable
16 the National Advisory Committee for Aeronautics to secure
17 and retain the services of specially qualified personnel neces-
18 sary in the discharge of the duty of the Committee to supervise
19 and direct the scientific study of the problems of flight with
20 a view to their practical solution.

21 “(c) The Secretary of the Interior is authorized to
22 establish and fix the compensation for not to exceed ten
23 positions of a professional or scientific nature in the Depart-
24 ment of the Interior, each such position being established

1 in order to enable the Department of the Interior to effectu-
2 ate those research and development functions and activities
3 of such Department which require the services of specially
4 qualified professional or scientific personnel.

5 “(d) The Secretary of Commerce is authorized to estab-
6 lish and fix the compensation for not to exceed thirty-five
7 positions of a professional or scientific nature in the Depart-
8 ment of Commerce, each such position being established in
9 order to enable the Department of Commerce to effectuate
10 those research and development functions and activities of
11 such Department which require the services of specially quali-
12 fied professional or scientific personnel.”

13 (b) Nothing contained in the amendment made to such
14 Act of August 1, 1947, by subsection (a) of this section
15 shall affect any position existing under authority of subsec-
16 tion (a) of the first section of such Act of August 1, 1947,
17 as in effect immediately prior to the effective date of such
18 amendment, the compensation attached to any such posi-
19 tion, and any incumbent thereof, his appointment thereto,
20 and his right to receive the compensation attached thereto,
21 until appropriate action is taken under authority of subsec-
22 tion (a) of such first section of such Act of August 1, 1947,
23 as contained in the amendment made by subsection (a) of
24 this section.

1 (c) Subsection (c) of the first section of such Act of
2 August 1, 1947, as amended, is hereby redesignated sub-
3 section (e) of such first section.

4 (d) Section 3 of such Act of August 1, 1947, as
5 amended, is amended to read as follows:

6 “SEC. 3. (a) Each officer, with respect to positions
7 established by him under this Act, shall submit to the
8 Congress, not later than February 1 of each year, a report
9 which sets forth—

10 “(1) the number of such positions so established
11 or in existence during the immediately preceding cal-
12 endar year,

13 “(2) the name, rate of compensation, and descrip-
14 tion of the qualifications of each incumbent of each
15 such position, together with the position title and a
16 statement of the functions, duties, and responsibilities
17 performed by each such incumbent, except that nothing
18 contained in this section shall require the resubmis-
19 sion of information required under this paragraph which
20 has been reported pursuant to this section and which
21 remains unchanged, and

22 “(3) such other information as he deems appro-
23 priate or which may be required by the Congress or
24 a committee thereof.

25 “(b) In any instance in which any officer so re-

1 quired to submit such report may find full public disclo-
2 sure of any or all of the above-specified items to be detri-
3 mental to the national security such officer is authorized—

4 “(1) to omit in his annual report those items with
5 respect to which full public disclosure is found by him
6 to be detrimental to the national security.

7 “(2) to inform the Congress of such omission, and

8 “(3) at the request of any congressional committee
9 to which such report is referred, to present all informa-
10 tion concerning such items.”

Passed the House of Representatives July 30, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

Calendar No. 2687

84TH CONGRESS
2d Session

H. R. 7619

[Report No. 2642]

AN ACT

To adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes.

AUGUST 2, 1955

Read twice and ordered to be placed on the calendar

JANUARY 5, 1956

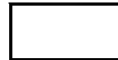
Referred to the Committee on Post Office and Civil Service

JULY 18 (legislative day, JULY 16), 1956

Reported with an amendment

MR:

File. Legis.Counsel has the original of this
with the notes shown on our copy.



2/14/56

STAT